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Summary record of the 16th meeting
Held at Headquarters, New York, on Monday, 19 October 1998, at 10 a.m.

Chairman: Mr. Asadi ..... (Islamic Republic of Iran)
later: Mr. Özügergin (Vice-Chairman) ..... (Turkey)

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Agenda item 93: Sustainable development and international economic cooperation

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(i) Implementation of the commitments and policies agreed upon in the Declaration on International Economic Cooperation, in particular the Revitalization of the Economic Growth and Development of the Developing Countries

(ii) Implementation of the International Development Strategy for the Fourth United Nations Development Decade

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98-81693 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 93: Sustainable development and international economic cooperation (A/53/60, A/53/62, A/53/63–S/1998/100, A/53/69, A/53/72–S/1998/156, A/53/95–S/1998/311, A/53/96, A/53/124, A/53/155, A/53/168, A/53/204, A/53/296, A/53/371–S/1998/848, A/53/374, A/53/396, A/53/411, A/53/412, A/53/414, A/53/416 and A/53/453)

(a) Implementation of and follow-up to major consensus agreements on development (A/53/301)

(i) Implementation of the commitments and policies agreed upon in the Declaration on International Economic Cooperation, in particular the Revitalization of the Economic Growth and Development of the Developing Countries

(ii) Implementation of the International Development Strategy for the Fourth United Nations Development Decade

1. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs), introducing the report of the Secretary-General in document A/53/301, said that it must be asked whether that type of report helped to further the cause of development. One positive aspect of consideration of the International Development Strategy was that it called for examination of long-term issues at a time when attention was focused on short-term problems, particularly as a result of the international financial crisis. The Committee must find ways of considering long-term development aspects in a structured manner.

2. Referring to document A/53/374, on the utilization of the development dividend, he said that it described how funds already set aside in the programme budget for the biennium 1998–1999 could be used, taking account of the requests made by countries.

3. **Ms. Sibal** (United Nations Educational, Scientific and Cultural Organization) introduced the report of the Director-General of UNESCO on the implementation of General Assembly resolution 51/172, concerning communication for development programmes in the United Nations system (A/53/296). She recalled that, from its establishment, UNESCO had acted as a guardian of the free flow of information, which was a concept that served as the foundation of democratic societies and that had been witnessed at work in Eastern and Central Europe in recent years. As a matter of fact, it had been at the very moment when the Berlin Wall was crumbling, in 1989, that UNESCO, at its twenty-fifth General Conference, had adopted a new communication strategy, which sought to encourage the free flow of information at both the international and the national level, to promote wider dissemination of information without any obstacle to freedom of expression, and to strengthen communication capacities in the developing countries in order to increase their participation in the communication process.

4. The free flow of information and the freedom of expression formed the social and political basis of human development, especially participatory development at the grass-roots level. In many countries that had not yet attained a reasonable level of media freedom it was often difficult for journalists and the public to advocate for transparency of decision-making and accountability of leaders, particularly in times of financial crisis. Given the still very high rates of illiteracy in Africa and South Asia, there was a great need to harness the power of communication to broaden access to education. In almost all spheres of human development, especially education and culture, the mass media had a great contribution to make.

5. UNESCO had strongly supported the round tables on communication for development organized since 1989 by the specialized agencies in the United Nations system. The meetings in question were meant to be a mechanism for consultation and sharing ideas and, where appropriate, organizing joint action. UNESCO worked in cooperation with the United Nations Department of Public Information to promote independent and pluralist media. That cooperation had led to the strengthening of funds for development of communication projects. Several new projects were now being approved in the field of media and communication for good government and protection of human rights. With the financial support of the International Programme for the Development of Communication and the donor community, UNESCO was now managing more than 300 projects with a budget of over $40 million.

6. There was, however, still much work to be done; the specialized agencies should seek innovative ways to communicate ideas for reinforcing democratic processes and spurring development initiatives; to use communication, especially community radio and electronic data networks, to increase public access to information and facilitate participation in decision-making processes; to mobilize both mental and physical resources at grass-roots levels and thereby provoke bottom-to-top reforms. In brief, the aim was to bring to bear the contribution that communication could make to human development worldwide.

7. UNESCO had taken a primary interest in the round tables because it believed that communication contributed to democracy and development. In support of the 1994 recommendations of the Joint Inspection Unit, UNESCO would continue its active participation in the round tables; it would increase its operational work in field projects to promote social and economic well-being, to strengthen democratic and good government, to combat AIDS and other epidemics, and to improve humanitarian service.

8. **Mr. Hidayat** (Indonesia), speaking on behalf of the Group of 77 and China, said that the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries and the International Development Strategy for the Fourth United Nations Development Decade had been adopted almost a decade previously, in response to what had been termed the "lost decade for development" of the 1980s. At its fifty-first session, the General Assembly had recognized that, despite the upturn in the world economy, the implementation of the Declaration and Strategy had fallen far short of expectations. The General Assembly had therefore called on Member States to take action to honour their commitments. However, the intervening crisis in the international financial and money markets had caused disarray, so that the challenges and objectives of the Declaration and the International Strategy continued to be of great relevance. Globalization had adversely affected traditional development cooperation, causing the multilateralist approach to lose ground to the free play of market forces. United Nations efforts to revamp development cooperation, through the major conferences of the 1990s and the Agenda for Development, had failed to bear fruit. In addition, many developing countries which had opened up their economies, in order to become integrated into the global economy, had found themselves exposed to the threat of marginalization, as in the case of many least developed countries, or to destabilization, as in the case of Asia, where several countries had been crippled by the financial crisis.

9. Many of the objectives set forth in the Declaration and Strategy might seem, in retrospect, to have been too optimistic or insufficiently realistic. The international community should, nonetheless, continue to strengthen international development cooperation, helping to accelerate the pace of economic growth in developing countries, to improve both macroeconomic management at the national and international levels and the international monetary, financial and trade systems and to address the problems of the least developed countries. Fulfilment of the commitments in the Declaration and the Strategy could help contain the crisis and put developing countries back on the road to sustainable development, while strengthening the global economy, in the interests of all countries.

10. As the new millennium approached, the United Nations had a critical role to play in promoting international development cooperation and combating world poverty. The Agenda for Development, which provided a comprehensive framework for international development cooperation, could facilitate the realization of the objectives of the Declaration and Strategy. In a world marked by rapid change and increasing economic globalization, concerted action at the national and international levels was vital to renewed growth and development.

11. **Mr. Plut** (Austria), speaking on behalf of the European Union, said that the Central and Eastern European countries associated with the European Union, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and the associated country Cyprus, aligned themselves with his statement.

12. Turning to agenda item 93 (a), he said that the Secretary-General's report on implementation of the Declaration and Strategy (A/53/301) provided a useful review of some of the key issues pertaining to sustainable economic growth in developing countries, particularly the interaction between globalization, international capital flows, trade liberalization and pro-poor economic growth. Growth rates and growth prospects for developing countries had deteriorated substantially since the start of the Asian financial crisis, while the continuing downward trend in world commodity prices had been accompanied by increasing regional disparities in GDP growth and sharp rises in unemployment, particularly in some Asian countries. There was an urgent need to create a favourable climate for investment and economic growth, striking a balance between national responsibilities and international efforts.

13. As recent events in the international financial markets had shown, an open economy could not in itself guarantee growth. Stable macroeconomic and structural policies and a sound institutional environment were vital to the success of national development policy. The European Union attached great importance to the strengthening of developing countries' capacities, so that they could assume full responsibility for, and ownership of, their development strategies and programmes, creating effective partnerships between governments, civil society and the private sector.

14. The European Union's partnership with the African, Caribbean and Pacific States (ACP) aimed at both the gradual integration of developing countries into the world economy and the eradication of poverty. All partners

recognized that the mechanisms provided under the revised Lomé Convention should be used to halt the deterioration in the trade performance of ACP States, which had been caused by low levels of competitiveness, the erosion of trade preferences and failure to diversify sufficiently. The negotiations which had recently begun on a post-Lomé Convention would seek to revitalize the special relationship between the European Union and the ACP States, with a view to strengthening their partnership through political dialogue, development cooperation and economic and trade relations.

15. The European Union also attached great importance to support for regional cooperation and integration between developing countries. In economic terms, greater specialization, economies of scale and competition would also contribute to economic growth and development. However, in some developing countries, progress was seriously hampered by weak internal cohesion, an underdeveloped infrastructure, population pressure, an overdependence on customs tariffs for government revenue and a fragile financial sector.

16. In view of the importance of high and sustained rates of economic growth in combating poverty, it was essential that overall growth and development processes be broadly based, involving all sections of society, particularly the poorest. Equal access to skills, land, credit, capital and technology should be guaranteed to all, in order to generate work opportunities in rural and urban areas and to improve the productivity of work, particularly for women. The European Union strongly supported the conclusions contained in the Secretary-General's report (A/53/301) to the effect that a policy of regional and international integration should be accompanied by domestic institutional reform. Governments should establish and implement national growth-oriented policies, helping to ensure recovery from the financial crisis and progress towards the realization of international development objectives.

17. With regard to agenda item 93 (b), Integration of the economies in transition into the world economy, he said that the countries of Central and Eastern Europe and the newly independent States had experienced a resumption of economic growth in 1997. There were two reasons for optimism: the potential for large productivity gains from structural change and enterprise restructuring and the potential contribution to growth from the highly skilled workforce in the region. However, there was cause for concern in the substantial subregional disparities in progress towards the creation of a market-based economy. The declines in real income and employment resulting from the first phase of economic and institutional restructuring had not yet been overcome in a number of transition economies, making unemployment one of the most important economic, social and political issues in the region.

18. The European Union, which provided some 70 per cent of total assistance to the economies of the region, welcomed the efforts of the subregional groups and international organizations to integrate those economies into the world economy and, in particular, the important contribution of the Economic Commission for Europe.

19. Recent financial and economic turmoil, which had also affected countries in the region, had shown that work done with a view to liberalization, privatization and macroeconomic stability must be complemented by policies to consolidate institutions and practices that underpinned the market economy, policies to strengthen investment and stimulate growth, and good governance of public affairs.

20. Countries in transition had a responsibility to establish effective policies and allow the competitive process to work to its full potential. They also had a responsibility to ensure the provision of physical infrastructure and maintain a skilled workforce. As they moved towards medium-term economic restructuring, the European Union would shift its focus towards encouraging investment to support the development of economic, social and physical structures necessary for integration.

21. By consolidating democracy and strengthening stability and security in Central and Eastern Europe, the enlargement of the European Union would enhance the development and integration of its eastern neighbours. Geographical proximity and the traditional economic links between acceding members and newly independent States would prove assets for a closer relationship. The European Union was taking steps to create conditions that would make it possible to fully exploit the opportunities created by enlargement by supporting the development of trans-European networks, and helping newly independent States to participate in subregional cooperation and in the pan-European and global economic and political system. It was important to ensure that maximum use was made of the "Europe" Agreements with the transition economies of Central and Eastern Europe and the European Union's partnership and cooperation agreements with the newly independent States and to persist in supporting the transition process in the region for, although those agreements were diverse, each established strong political and economic partnership between the European Union and the individual economies of the region.

22. The European Union believed that only policy packages specifically tailored to the country involved —

whether it was a developing country or an economy in transition — could cope successfully with the challenges of globalization and growth. Experience had shown that liberalization must be sustained if living standards in those economies were to continue to improve. Recent financial and economic crises, however, had shown that sound institutional and regulatory frameworks had a critical role to play in managing the consequences of the opening up of markets. In the same vein, the dividends of liberalization and integration must be distributed equitably. Broader and more equal income distribution at national level required a fair and progressive income taxation system and an adequate social security network, aims which the European Union was committed to supporting.

23. **Ms. Bai Yongjie** (China) said that despite the liberalization undertaken and the adjustments made by many developing countries and despite the fact that some such countries had attained relatively speedy development, the North-South gap continued to widen. Far from leading to benefits for all, the flow of capital and trade brought about by globalization had led to the marginalization of the most vulnerable; countries which had seen faster growth were also facing new challenges. The financial crisis in Asia had altered development prospects for developing countries, and efforts to realize the objectives of the Declaration on International Economic Cooperation and Development Strategy for the Fourth United Nations Development Decade had again been frustrated.

24. Regrettably, very few developed countries had honoured their commitments with respect to official development assistance; international development cooperation was on the decline, and action taken on technology, trade and debt was far from meeting the requirements of the Strategy or of agreements reached at global conferences organized by the United Nations in the 1990s.

25. As the third millennium approached it was important, in a world made interdependent by globalization, that the 1990s should not turn out to be another lost decade for development. Developing countries must pursue programmes of reform and economic adjustment appropriate to their national situations in order to create conditions for prosperity and growth. As for developed countries, it was essential that they should contribute to the creation of a favourable external environment, fulfil their commitments and provide developing countries with the assistance the latter so urgently required in such fields as resources, trade and debt relief.

26. She expressed the hope that when it came to the realization of the objectives of the Declaration and Strategy, the role of the United Nations would not be restricted to promoting the reaching of agreements, but would also extend to effective implementation through follow-up action and operational activities.

27. *Mr. Özügergin (Turkey), Vice-Chairman, took the Chair.*

28. **Mr. Osei-Danquah** (Ghana) welcomed with satisfaction the report of the Secretary-General (A/53/301) and agreed with its conclusions.

29. Although the report noted the multidimensional nature of the International Development Strategy for the Fourth United Nations Development Decade within the framework of globalization, it was regrettable that the policy formulators had taken so long to come to the same conclusion which countries pursuing structural adjustment programmes had long sought to bring to the policy table. The lesson to be learned from that experience was the need for a true development dialogue and not a one-sided imposition of ideas which did not take into account the realities on the ground.

30. His Government was particularly committed to such a dialogue. Having for 15 years pursued structural adjustment policies with the support of the Bretton Woods institutions, it was particularly well placed to know at what point new measures were necessary to stimulate growth, outside the control of developing countries.

31. Given the fact that only 10 countries received 72 per cent of foreign direct investment flows to all developing and transition economies, and foreign direct investment in the other economies were chiefly in the mining and energy sectors, to the exclusion of high valued-added sectors, most developing countries were forced to turn to fiscal policy restrictions to maintain growth. They were driven to marginalize sectors of the population and to jeopardize the education and health systems and the social fabric of their countries.

32. Trade facilitation and market access would allow those countries to integrate into the global economy. Industrialized countries should show flexibility in that regard. Market access also required changes in domestic trade regulations in those countries.

33. Developed countries should use innovative methods, particularly guarantees, to channel investments to countries which had demonstrated their maturity. The role of the International Finance Corporation could also be expanded, and it was hoped that the international community would put

those two key issues at the core of efforts to revitalize growth and development in the developing world.

34. Some Governments had rightly recognized the need to reduce social risks inherent in economic measures and had targeted their assistance in such areas as poverty alleviation, environmental protection, education and training. Such an approach reduced social tension and strengthened the human capacity of developing countries. In that regard, the World Bank had also acknowledged the need to pay close attention to the social dimension of reform policies.

35. **Ms. Cardoze** (Panama), speaking on behalf of the Rio Group, said that the broad lines of international consensus for the emergence of sustainable development having been drawn, the international community at a time of globalization had a duty to pursue the course which it had itself charted.

36. In the hope of building their own economic development, the countries of the Rio Group had embarked upon the at times painful process of structural adjustment and, in spite of the global financial crisis, were committed to responsible economic management. They were no less convinced that economic progress should go hand in hand with the reduction of social inequities. They nevertheless implemented the decisions taken by the global conferences in the 1990s, but they believed that those efforts might prove insufficient, particularly in the current economic climate, if those measures were not complemented by real global economic cooperation.

37. Therefore, the Heads of State and Government of the Rio Group which met in Panama had launched a political appeal to the international community and the international financial institutions to take the necessary measures to correct imbalances, revitalize the world economy and contribute to the solution of the global economic crisis. They had also called for the immediate implementation of chapter 33 of Agenda 21 with respect to official development assistance (ODA) and the application of innovative financing mechanisms.

38. The recently held high-level debate on the social and economic impact of globalization had proved to be a positive experience. That constructive meeting had highlighted the need for members of the international community to join forces in an act of solidarity between developed and developing countries. The Rio Group believed that it would be useful to organize similar meetings on a regular basis and to follow up the results.

39. **Ms. Beneke** (El Salvador), speaking on behalf of the countries of the Central American Integration System, endorsed the statement made by the Indonesian delegation on behalf of the Group of 77 and China and said that it was particularly appropriate to review the implementation of the Declaration on International Economic Cooperation and the International Development Strategy at a time when globalization, market liberalization and the Asian financial crisis directly affected all development indicators. The report of the Secretary-General (A/53/301) provided a suitable basis for discussion on the subject.

40. The goals of the International Development Strategy were far from being achieved and the tasks ahead were the same as they had been in 1990. Capital flows from the developed countries to the developing countries had admittedly increased, but only a few — 10 countries alone received 71 per cent of foreign direct investment — benefited. Small countries found themselves marginalized, despite their integration efforts. Furthermore, although an indispensable complement to national development programmes, ODA in 1997 represented only 0.22 per cent of gross national product (GNP), its lowest level since the adoption in 1970 of the 0.7 per cent of GNP target. The countries which had met that target should be commended, and an appeal should be launched to donor countries to increase their contributions. It should also be borne in mind that the debt issue continued to hamper the efforts of developing countries in their search for sustainable development. Honduras and Nicaragua were the countries most affected in Central America.

41. The liberalization of world trade had played an important role in growth and development in a number of countries over recent years. However, in spite of successes achieved within the framework of the Uruguay Round, tariff and non-tariff barriers remained in sectors which were of particular interest to the developing countries. It was often difficult for those countries to conform to the technical standards and environmental, sanitary and phytosanitary measures imposed. It was also of concern that some countries practised what amounted to protectionism under the guise of human rights, worker and environmental protection.

42. Some industrialized countries were making real efforts to establish preferential customs systems for the developing countries that would benefit the least developed countries most. They should continue to grant such customs preferences without blocking access to their markets for developing countries' products.

43. The Asian financial crisis, by hitting the most vulnerable members of society the hardest, had highlighted the risks inherent in globalization. As a result of the upheavals, the countries in the Central American Integration

System wanted controls on capital flows at the national, regional and world levels and believed that it was vital for safety nets to be put in place to protect the weakest.

44. Since the end of the Fourth United Nations Development Decade was approaching and the goals set in the International Development Strategy had not all been achieved, it was vital that the decisions of the recent world conferences should be implemented. In that connection, integrated, coordinated follow-up was vital, as was strengthening international cooperation — particularly on funding — so as to help the developing countries honour their commitments, undergo sustainable development and ensure prosperity for their populations.

45. **Ms. Oh** (Republic of Korea) said that at the close of the decade it was crucial to evaluate the progress achieved in implementing the international community's commitments for development and to find fresh solutions to the problems that had emerged during those years.

46. Over the past 10 years, the international community had intensified its efforts to accelerate development in the poorest countries, resulting in overall growth in most of the world and a very encouraging economic upturn in the least developed countries. The adoption of the Agenda for Development, which provided a comprehensive framework for international cooperation, should be welcomed, while the major United Nations conferences had also contributed to extend development objectives to the social and environmental areas.

47. Unfortunately, despite the progress made, some objectives had not been achieved; also, the rapid pace of globalization was likely to put a brake on development.

48. Indeed, globalization — long considered a locomotive for global prosperity because of the increasing interdependence of economies — was posing new problems worldwide, including marginalization of the least developed countries and economic destabilization caused by international capital flows. If worldwide, sustained economic growth and sustainable development were to be achieved, it had become evident that the globalization phenomenon, whose risks had been highlighted by the current financial crisis, must be better managed.

49. For that reason, the international community needed to show more imagination and set new strategies for itself that took into account the benefits and the risks of globalization. When new priorities and policies were set, the multidimensional nature of development that had been identified at the major United Nations conferences must be taken into account.

50. In particular, it was clear that economic growth alone could not ensure that the least developed countries did in fact develop. Development policies that limited themselves to promoting economic growth by applying multisectoral liberalization measures were insufficient to avert the dangers of globalization. As the Secretary-General had indicated in his report (A/53/301), there was a need for innovative policies to counter the increased vulnerability stemming from greater globalization. In that context, the State should play the role of facilitator rather than regulator.

51. Also, a stable international economic environment was indispensable for sustainable development and sustained growth in the developing countries. However, the current financial crisis, which was in fact a macroeconomic management crisis of the world economy, called the usefulness of the existing economic and financial architecture into question. Concrete and concerted measures were required to reassess the current international policies and institutions and shape a new, viable international economic architecture.

52. Given the need to renew commitments and revitalize efforts for development, a genuine global partnership should be established based on strengthened international cooperation for development. The United Nations would have a pivotal role to play in promoting a constructive dialogue to foster development in the next century.

53. **Mr. Kamal** (Pakistan) said, with reference to the Secretary-General's report on the utilization of the development dividend (A/53/374), that on the financial level it was welcome that the Secretary-General had given an assurance that expenditures from the development account would be subject to the same modalities and procedures as those that governed the regular budget.

54. He welcomed the fact that the development dividend, an idea which the Secretary-General had included in his reform initiative, had begun to materialize. In connection with the proposals for using the first tranche of $13 million, he supported the concept of networking for development, around which the projects for the 1998–1999 biennium had been prepared. As information technology was an engine for globalization, there was no doubt that it was impossible to participate fully in all aspects of international life without proper access to information. However, many developing countries, particularly the least developed countries of Africa, were still on the sidelines of the global economy and would not be able to participate in it without expanded access to the major international information networks. He expressed the hope that the networking project would help those countries participate in globalization but stressed that

they would need capacity-building if they were to benefit from access.

55. Proposal A, regarding promotion of electronic commerce, was an initial step towards providing support to the developing countries and should serve as inspiration for other projects involving a training effort. Proposal B, regarding capacity-building in economic and social policy analysis in Africa through the networking of expertise, could have a multiplier effect on participating countries and should be backed up with assistance from the regional commissions. Proposal C, regarding extension of access of developing countries to environmental data, should also make provision for giving participating countries the analytical tools needed to use the data. The emphasis given in proposal E to capacity-building in the least developed countries should be strengthened and followed up with projects that were more ambitious. However, proposal F, regarding the on-line development centre, would not contribute to capacity-building unless steps were taken to ensure that the developing countries were able to use such an on-line or virtual centre before the projects were undertaken. Turning to proposal G, he expressed regret at the lack of any element of personnel training or development.

56. Member States must participate fully in developing concepts or proposals for making use of the development account. The regional commissions and other relevant United Nations bodies could also play an important role. Development dividends should benefit projects that had multiplier effects, promote South-South cooperation and extend special benefits to the least developed countries, particularly in Africa.

57. **The Chairman** said that the Committee had concluded its consideration of agenda item 93 (a) (i) and (ii).

The meeting rose at 11.30 a.m.

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Second Committee

Summary record of the 17th meeting
Held at Headquarters, New York, on Tuesday, 20 October 1998, at 10 a.m.

Chairman: Mr. Asadi ..... (Islamic Republic of Iran)

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Agenda item 92: Sectoral policy questions (*continued*)

(a) Business and development (*continued*)

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Agenda item 93: Sustainable development and international economic cooperation (*continued*)

(b) Integration of the economies in transition into the world economy

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98-81729 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 95: Operational activities for development (*continued*) (A/C.2/53/L.8)

Draft resolution on the triennial policy review of operational activities for development of the United Nations system (A/C.2/53/L.8)

1. **Mr. Hidayat** (Indonesia), introducing the draft resolution on behalf of the Group of 77 and China, said that the text of the resolution might seem long; however, given the diversity of the issues it addressed, it was both concise and complete. The draft resolution was based on a number of principles to which the Group of 77 and China attached the greatest importance: (1) that it was necessary to forge a solid partnership among the developing countries, the developed countries and the United Nations system, particularly its funds and programmes; (2) that the operational activities of the United Nations system were particularly useful at a time when the world economic situation was undergoing many changes; (3) that the objectives of the United Nations funds and programmes were largely determined by new development models; (4) that the basic goal of operational activities for development, namely, to satisfy the interests of developing countries, must be strengthened; and (5) that recipient Governments had the primary responsibility for coordinating the external assistance they received, particularly that provided by multilateral organizations. He hoped that the draft resolution, which covered all the points mentioned in the report of the Secretary-General (A/53/226) — ranging from the operational activities of the United Nations system to the increasingly important upstream activities — would be favourably received by the other members of the Committee.

Agenda item 92: Sectoral policy questions (*continued*) (A/C.2/53/L.6 and L.7)

(b) Industrial development cooperation (*continued*)

Draft resolution on industrial development cooperation (A/C.2/53/L.6)

2. **Ms. Djatmiko-Singgih** (Indonesia) introduced the draft resolution on behalf of the Group of 77 and China, which continued to attach great importance to the question of industrial development in the developing countries and believed that, more than ever, cooperation in that field must be structured from both a theoretical and operational standpoint. According to the draft resolution, cooperation should remedy the main difficulties besetting the developing countries in their industrialization and provide those countries with the means of overcoming them. It was particularly important to resolve the problem of industrial and technological disparities and to build the industrial capacity of developing countries and their human, technological and institutional potential. In addition, industrial plants in developing countries needed to be modernized, since industrialization was not only a powerful engine of growth but also a factor in technical progress. The Group of 77 and China hoped that the draft resolution aimed at strengthening industrial development would be supported by all Committee members.

(a) Business and development (*continued*)

Draft resolution on action against corruption and bribery (A/C.2/53/L.7)

3. **Mr. Winnick** (United States of America) introduced the draft resolution sponsored by Argentina, Bulgaria, Canada, Mexico, Nicaragua, the Russian Federation, Ukraine, Uruguay, Venezuela and the United States of America. Since the adoption, in 1996, of the United Nations Declaration against Corruption and Bribery in International Commercial Transactions — a major achievement by the United Nations — the Organization had closely monitored the question, particularly through the Commission on Crime Prevention and Criminal Justice, which had considered the matter at its preceding two sessions. Many regional initiatives had also been launched in that area in Latin America, Africa and Asia. The Organisation for Economic Cooperation and Development (OECD) had adopted a convention on the topic; many projects had been carried out within the European Union; and a significant number of countries had addressed the question at the national level.

4. The draft resolution had a number of objectives: (1) to have the General Assembly formally take note of the monitoring activities carried out; (2) to maintain the momentum of the work carried out in that field within the United Nations; (3) to give renewed impetus to activities at the national level; and (4) to attempt to synchronize the work of the United Nations in that area by ensuring that the biennial deliberations of the General Assembly and the Commission on Crime Prevention and Criminal Justice on that item coincided. Committee members would note that the draft resolution was largely based on General Assembly resolution 51/191 of 16 December 1996 and resolutions of the Commission on Crime Prevention and Criminal Justice. Lastly, he stressed that the sponsors included developed countries, developing countries and countries in transition, testifying to the fact that, rather than being of interest to one particular group or region, the issue was international in

scale. He hoped that many Committee members would become sponsors of the draft resolution.

Agenda item 93: Sustainable development and international economic cooperation (*continued*) (A/53/296, A/53/374, A/53/60, A/53/62, A/53/63–S/1998/100, A/53/69, A/53/72-S/1998/156, A/53/95–S/1998/311, A/53/96, A/53/124, A/53/155, A/53/168, A/53/204, A/53/371–S/1998/848, A/53/396, A/53/411, A/53/412, A/53/414, A/53/416 and A/53/453)

(b) Integration of the economies in transition into the world economy (A/53/336 and A/53/174)

5. **Mr. Kinniburgh** (Director of the Development Policy Analysis Division of the Department of Economic and Social Affairs) said that, from the outset, the General Assembly and the Secretariat had been monitoring the progress of the transition countries and their efforts to integrate into the world economy, particularly by endeavouring to increase the flexibility and productivity of their economies and to establish closer economic ties to other countries through an increase in trade arrangements, and through financial flows and transfers of technology. The report of the Secretary-General on the integration of the economies in transition into the world economy (A/53/336) provided an overview of recent activities within that context by the organizations of the United Nations system, whose mandate had been established in paragraph 2 of General Assembly resolution 51/175.

6. Generally speaking, each of those organizations had made its contribution to the creation of an enabling environment for the transition, which required a wide-ranging set of institutions and institutional arrangements, physical infrastructure, a skilled workforce and sound economic management. It was nonetheless difficult to summarize the activities carried out by those organizations, owing to their extreme diversity and the variety of experiences in the countries in transition. For example, in most of the Central and Eastern European countries and the Baltic States, the growth process had begun in 1994. In Belarus, the Caucasus and most of the Central Asian countries, the recovery had not begun until 1995 and the Russian Federation had not achieved any measurable progress until 1997. Moreover, while the countries in transition had registered an overall increase in their gross domestic product in 1997, there had been huge disparities between individual countries and the gross domestic product was even expected to remain stagnant in 1998.

7. In most of the transition countries, recovery had been underpinned by domestic demand, whose adverse consequence had been a general widening of current account deficits. From that perspective, foreign direct investment, with its many advantages for the economies of the countries in transition, could play a valuable role. In that connection, table II.2 of the *World Economic and Social Survey 1998* showed that foreign direct investment in Central and Eastern Europe and the Baltic States had amounted to nearly $10 billion in 1997, or 2.8 per cent of the region's gross domestic product, and foreign direct investment in the Commonwealth of Independent States had amounted to $7.3 billion, whereas less than $8 billion had been invested during the entire period 1989–1995. There, too, there were huge disparities between countries: while in 1997, foreign direct investment had represented 1.2 per cent of the total gross domestic product of the countries in transition, the ratio had ranged from 0.4 per cent of the gross domestic product of Uzbekistan to 24.4 per cent of that of Azerbaijan.

8. Despite its limited scale, foreign direct investment had been an important factor in creating market economies in those countries. That was particularly apparent in areas where foreign enterprises had introduced competition and had indirectly contributed to improvements in the quality of products, price decreases and greater respect for the needs of consumers. In more extreme cases, foreign direct investment had salvaged domestic production from the possibility from closure that might have resulted from the increased competition emanating from opening the market.

9. While the medium-term prospects for the economies in transition depended in large measure on their ability to raise domestic saving and investment, their ability to attract foreign capital for a broader range of industries was often critical to sustaining growth and deepening the reconstruction of those economies. Another difficulty stemmed from the fact that, to date, foreign direct investment had depended heavily on privatization programmes. Most of the more advanced economies in transition, with the exception of Poland, had largely concluded their privatization processes and no more such drives were expected in the immediate future except perhaps in the Russian Federation, where any inflows of foreign direct investment could have extremely favourable consequences for the economic prospects of the region as a whole.

10. It was in that context that organizations of the United Nations system would continue to assist the efforts of countries with economies in transition to attract and facilitate all forms of foreign direct investment.

11. **Ms. Linde** (United States of America) said that she would focus in her statement on the Russian Federation, as that country's transition to a market economy was one of the defining economic challenges of the end of the twentieth century. Indeed, the outcome would help define the shape of the global economy in the twenty-first century and the progress of democratization around the world. The United States had played a leading role since 1991 in providing multilateral and bilateral support for Russian market reforms. Her Government was convinced that, when policy makers themselves were committed to reform, the programmes of the International Monetary Fund (IMF) and the World Bank could materially increase the prospect of such a transformation being achieved. Since 1992, the Russian Federation's cooperation with the international financial institutions had produced an important economic transformation and a fragile stability. The fact that the country was once again facing a crisis should not obscure the achievements of the preceding six years, during which the Russian economy had been completely transformed.

12. The United States had a strong stake in seeing all the economies in transition overcome the current crisis by carrying out macroeconomic and structural reforms, building strong legal systems and democratic Governments, pursuing social development and overcoming the environmental hazards associated with rigid central planning. It was not about imposing economic models, because each of the countries in question had its own unique history and traditions and would plot its own path in the economic arena as it would in every other respect. The United States had also done much to support the other economies in transition. Thus, via the support for the East European Democracy Act, her Government had provided $2.2 billion to Central Europe between 1990 and 1995, and it had provided $5.1 billion to the newly independent States since 1991. The United States had also worked closely with other nations and international organizations, such as the Organisation for Economic Cooperation and Development and the Organization for Security and Cooperation in Europe, to assist those countries to establish political democracy and market economies. The United Nations was also playing an important role in that process. Apart from examples of the activities of funds, programmes and specialized agencies of the United Nations system, the technical assistance that the Economic Commission for Europe was providing to the Southeast Europe Cooperation Initiative should be applauded. Under that initiative, 10 countries were trying to resolve problems of mutual concern, such as facilitating the movement of people and goods across borders, combating transnational crime and developing regional infrastructure. Also worthy of note was the new Special Programme for the Economies of Central Asia, which was a similar initiative for five Central Asian nations that received support from the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific.

13. The United States was committed to playing a supportive role in the integration of both the least developed countries and the economies in transition into the world economy, because in a world characterized by increasing interdependence, it was vital to the welfare of all that no country should be left behind in that process.

14. **Mr. Isakov** (Russian Federation) made a critical analysis of the activities carried out by the United Nations system to facilitate the integration of the economies in transition into the world economy. In so doing, he tried to draw the lessons to be learned from the Asian financial crisis, a task which had been made easier by the fact that United Nations agencies, the World Bank and the International Monetary Fund paid great attention to those problems.

15. While most of the economies in transition had made considerable progress with respect to macroeconomic stabilization and economic growth, they also had serious social problems, as the UNDP *Human Development Report* showed. It was therefore more urgent than ever to integrate those economies into the world economy, to resolve their serious difficulties in securing market access and to create a favourable external environment for their trade, economic and financial activities. In that connection, his country's entry into the World Trade Organization was fraught with difficulties and it was imperative, more than ever, to coordinate the activities of the Bretton Woods institutions and those of the United Nations system with respect to integrating the economies in transition into the world economy. The World Bank would have a particularly important role to play in helping to identify emerging crises.

16. In the face of a crisis which was sharply curtailing their growth prospects for 1998 and which had provoked rampant inflation in some of the countries, the main concern of the countries with economies in transition was to restore their predictability and attractiveness for foreign investors. There was capital flight not only from the countries stricken by the crisis but also from other economies in transition.

17. Under those conditions, the international community and the United Nations system must provide efficient and innovative assistance to the economies in transition. They should, in particular, determine priorities by taking into account the specific social and economic conditions of the countries assisted, coordinating their activities at all levels

and taking sufficient account of social matters such as the eradication of poverty, employment, social stability and support for national efforts in the field of population.

18. The United Nations system had the proper mandate and necessary capabilities to carry out such activities. He expressed his delegation's gratitude to all the United Nations agencies that were working to bring about the integration of the economies in transition into the world economy. However, in future, it would like the report on that issue not only to enumerate various measures, but also to indicate their impact. Given the magnitude and multifaceted nature of the activities of the United Nations and other international institutions and donors in that field, such activities should be appropriately focused and coordinated.

19. **Mr. Kolby** (Norway) said that, overall, there had been a resumption of economic growth in the Central and Eastern European countries and the newly independent States, which should be maintained by the economic reforms undertaken, combined with a highly skilled workforce. The reality was, however, not uniform. There were substantial disparities between one country and another, with some countries facing serious environmental problems, and the prospects for integration into the world economy were far from the same for all. The current world financial crisis had a detrimental effect on exports and created an unfavourable climate for investment. His delegation was convinced that it was primarily for Governments to establish conditions which would accelerate the transition: sound macroeconomic policies, transparency and stability. The intervention of the international community was also necessary and, in that connection, the contribution of the European Union to the development of the Central and Eastern European countries and the newly independent countries, and that of the Organization for Security and Cooperation in Europe (OSCE) to peace and stability were essential.

20. Norway's contribution took two forms. In 1997, it had allocated approximately 400 million kroner to cooperation projects, mainly in the northern part of the Russian Federation and the Baltic States, its assistance to the Central Asian republics being rather in the humanitarian sector. Moreover, it had concluded agreements with the Central and Eastern European countries through the European Free Trade Area (EFTA) in order to open up their access to the member countries of EFTA.

21. **Mr. Gerus** (Belarus) thanked the organizations of the United Nations system for the excellent work they had done during the past two years with a view to integrating the economies in transition into the world economy.

22. Despite the macroeconomic results they had obtained following almost five years of reform, the countries with economies in transition had been badly hit by the Asian financial crisis, which had revealed their vulnerability to fluctuations in the international financial markets. They had proved to be incapable of dealing with the crisis because of their lack of experience of market mechanisms in a time of crisis and the still embryonic state of their economic institutions.

23. Those problems called for a strengthening of cooperation between the international organizations and the economies in transition. His delegation felt that it was essential that the organizations in the United Nations system expand the advisory services and technical assistance which they provided in the legal field, in the creation of a climate favourable to investment and in the establishment of institutions to regulate and control the market economy. It was also important that the countries with economies in transition should belong to the World Trade Organization and that they should be given assistance in the field of the detection of the early-warning signs of crisis and crisis prevention. His delegation hoped that the organizations in the United Nations system would provide it with assistance in those areas, taking into account the new needs which would inevitably arise.

24. His delegation shared the view expressed the previous day by Austria on behalf of the European Union concerning the importance of regional cooperation. It believed that the transport sector, which was of vital importance for landlocked countries, was particularly suited to that type of cooperation. In that connection, the Government of Belarus had taken the initiative of convening an international conference of landlocked countries of Central and Eastern Europe and the Commonwealth of Independent States. That conference, which would be held at Minsk in 1999, would be devoted to the economy and the transport sector and to the related environmental problems. His delegation appealed to the organizations in the United Nations system and various donors for assistance in organizing the conference.

25. **Mr. Oussoupov** (Kyrgyzstan) said that, for his country, the question of the integration of countries with economies in transition into the world economy was one of the most important items on the agenda of the General Assembly. He welcomed the fact that the international organizations and financial institutions supported the efforts being made by those countries to adapt to the market economy and, in particular, thanked ESCAP and ECE for their Special Programme for the Economies of Central Asia, UNCTAD for its programme for improving transit transport operations in the region, UNIDO for its assistance in the

strengthening of the information media and the promotion of small enterprises, investments and technology, the International Monetary Fund for its assistance in the organization of a conference held on the occasion of the fifth anniversary of the entry into circulation of the Kyrgyz currency, and the financial institutions for their assistance in the adaptation of the rules of the market.

26. Kyrgyzstan had just joined the World Trade Organization, a move which would considerably expand its markets and allow it to liberalize its external trade and, in the future, attract foreign investment.

27. As a landlocked country, it faced great obstacles in the circulation of goods, services, capital and people, which slowed down its entry into the global economy. The idea of the Silk Road, which had been taken up again by President Azaev, consisted in making that route, which had formerly linked Asia to Europe and the North to the South, a route for development and regional integration. The Silk Road had for centuries played a key role in very varied fields, from trade through science and diplomacy to philosophy. Inasmuch as it served the whole Eurasian continent, it could be assumed that its renaissance would help to develop and deepen regional cooperation and ensure the sustainable development of the countries of the region and their integration into the world economy.

28. **Ms. Arystanbekova** (Kazakhstan) said that the creation of a market economy, which was the declared objective of the countries in transition, should help to improve the quality of life of the population. Within the framework of the efforts undertaken by the United Nations system to accelerate the integration of those economies into the world economy, UNCTAD was working on a programme aimed at opening up the landlocked countries of Central Asia and neighbouring countries; the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific (ESCAP) were developing a programme entitled "Special Programme for the Economies of Central Asia" (SPECA), which encouraged cooperation between the countries of the region. The Tashkent Declaration, which had been signed by six countries, including Kazakhstan, and by the Economic Commission for Europe and ESCAP, defined the scope of such cooperation, namely the development of transport, the rationalization of the exploitation of water and energy, and the improvement of the transport of hydrocarbons to world markets. The Economic Cooperation Organization, UNCTAD and ESCAP were working to facilitate transit transport operations in the region and to develop economic cooperation between the countries in the south-western part of the ESCAP region. During the current session of the General Assembly, her delegation would submit a draft resolution relating to cooperation between the United Nations system and the Economic Cooperation Organization.

29. With regard to financial and technical assistance, UNDP and UNFPA were contributing to projects relating to socio-economic questions and the environment. One of the most important components of that assistance concerned the region of Semipalatinsk, where UNDP was coordinating international measures to promote the health of the population, environmental restoration and economic development. Other programmes had been launched relating to the environment, the promotion of the private sector and the provision of assistance for the population census which Kazakhstan would carry out in 1999. A regional conference organized by the Kazakh Government and UNDP at Almaty in July 1998 had helped to review the reforms and the main difficulties and tasks of the countries in transition.

30. **Mr. Hovhannisyan** (Armenia) said that countries with economies in transition were vulnerable to the current financial crisis. Although most had a well-developed industrial base and a well-educated and competitive labour force, in order to integrate into the world economy they must reduce production costs by modernizing and rationalizing production, improving their communications and attracting the foreign investment that was essential to economic growth. Armenia was counting on the privatization of some 3,800 businesses under its 1996–1998 programme to attract foreign investment. Its top priority was to increase exports, and to that end it was attempting to complete the creation of its legal framework and financial infrastructure and to develop its human resources. However, its efforts were impeded by the blockade imposed by its neighbours, which had also disrupted the delivery of humanitarian assistance to the areas affected by the earthquake and to the refugees from Azerbaijan, along with the execution of regional programmes. Armenia had been receiving technical assistance from a numb of countries and international organizations, including the United Nations system, and would welcome greater attention to its private sector.

31. Since independence, Armenia had expressed a firm commitment to the development of regional cooperation. It was a founding member of Black Sea Economic Cooperation, and during its six-month presidency it had tried to contribute in particular to the strengthening of cooperation in the energy sector and to the creation of a regional free trade area. It was actively participating in other programmes, in particular the initiative on transport corridors between Europe, the Caucasus and Asia. Armenia's greatest priority was to integrate into the world economy and to form good relations with all its neighbours.

32. **Ms. Duda** (Poland) said that Poland was currently registering an annual economic growth rate of close to 6 per cent as a result of the restructuring of its economy begun in 1989, combined with democratization and political stability. There was still a need for further restructuring, in the heavy industry and mining sectors, and the country was facing a number of social and economic problems. Through cooperation with international organizations, and because of the priority which the United Nations system had placed on the integration of countries in transition into the world economy, Poland had been able to receive assistance in undertaking the necessary reforms. Those reforms had been carried out at an enormous social cost, however, resulting in an unprecedented rise in organized crime. Therefore, in the context of its cooperation with the United Nations system, Poland had accepted in principle an international convention against organized crime. Poland had recently joined the Organisation for Economic Cooperation and Development (OECD) and negotiations were under way for its admission as a full member of the European Union.

33. Poland was convinced of the need for international cooperation based on true partnership at the regional and subregional level. It wished to share its experience through technical cooperation among developing countries (TCDC) and was in the process of establishing a fund for the development of technical expertise. It participated actively in the preparation of meetings and in the meetings themselves, and would attend the session of the ECE Committee for Trade, Industry and Enterprise Development in June 1999. Globalization provided a unique opportunity for economies in transition to enter international markets, and the role of the Economic Commission for Europe in economic reforms could not be overestimated. Finally, better early warning systems should be available to decision makers so that their decisions could be based on more accurate information.

34. **Mr. Pashayev** (Azerbaijan) said that the integration of the countries in transition into the world economy would bring about the establishment of a major Eurasian market, thus helping to close the gap between the developed and developing countries. To date, however, countries with transition economies had encountered major obstacles on the road to reform: their macroeconomic indicators were dismal, their production infrastructure was defective, they lacked financial resources to pursue reforms, they were encountering serious social problems and they had become vulnerable to the fluctuations in the international financial market.

35. It had therefore become very important for those countries to be able to attract foreign investment, which was a factor in integration, transfer of experience and know-how. Long-term investment had a key role to play in that regard. In order to create a favourable environment, Azerbaijan had changed its legislation and concluded bilateral agreements for the promotion and protection of investments. It was also conducting a programme of privatization and structural reform and a reform of the banking and financial sector. It had made considerable progress and in 1997 had managed to attract over a billion dollars in investments from widely varying sources. A swift settlement to the conflict in Nagorny Karabakh would also add to the flow of investments. He thanked the United Nations bodies, in particular ECE and UNDP, which had helped his country to implement its reforms.

36. Cooperation in the transportation sector was clearly important for countries with economies in transition. Of particular note was the national and regional transport infrastructure development programme being implemented by the Commission of the European Union. The results of the past five years of work in that area had been presented at a conference held in Baku in September to promote the renaissance of the "Silk Road", which had resulted in the signing of a multilateral agreement on the development of the Europe-Caucusus-Asia transportation axis. Azerbaijan also thanked the IMF and the World Bank for their assistance, which took into account the needs of each individual country.

37. **Mr. Ierulescu** (Romania) said that his delegation endorsed the statement made by Austria on behalf of the European Union. His delegation wished to emphasize some problems his country had experienced during its transition. Globalization and liberalization of the economy were transforming international economic relations and creating new opportunities for cooperation to achieve economic growth and adapt national institutions and legislation to facilitate successful integration into the world economy. Cooperation should be focused on creating the conditions for a better integration of the economies in transition into the multilateral economic system so as to benefit from the process of liberalization taking place throughout the world. Their integration was a complex process based on broad reforms in all fields of activity. Romania was participating actively in that process and assuming its responsibilities at the national, regional and international levels. Radical changes since 1990 had imposed the transition from a centralized to a market economy. Economic and structural reforms had combined a stabilization strategy with measures to accelerate the establishment of a market economy through the strengthening of financial discipline, reform of the agricultural sector, promotion of foreign investments and

speeding up of privatization. In his country's experience, speedy reform based on internal political consensus was preferable to a gradual approach. The positive effects of the so-called "shock therapy" approach appeared sooner, at both the national level and in relation to integration in the world economy.

38. Romania's main goal was the fullest possible integration into the European Union as soon as possible, and it had signed several agreements to that effect. It supported projects concerning transport routes from the Caspian Sea to Western Europe and from the Baltic Sea to the Black Sea, as well as tripartite cooperation with neighbouring countries. Those actions emphasized the importance to Romania of complementarity between regional integration and multilateralism.

39. At the international level, Romania was committed to working closely with all partners for the establishment of an open and rules-based multilateral trading system. Romania fully supported the activities of the Bretton Woods institutions, the World Trade Organization and UNCTAD in the field of financial flows, trade and investment. It had an acute need for foreign investment to support its internal economic reform process and was interested in finding ways for the developing countries and countries with economies in transition to receive long-term investment and capital flows. It recognized the importance of international investment and of a transparent and predictable multilateral framework.

40. **Mr. Reva** (Ukraine) said that his delegation wished to know — as did the Committee whenever it took up the agenda item under consideration — what progress had been achieved so far in the countries with economies in transition, how long the transition period would last, to what extent the process of transition depended on outside factors and how the United Nations system could help those countries. The Secretary-General's report on the subject (A/53/336), was essentially descriptive and did not provide answers to those questions. It could not be denied, however, that progress had been made by the countries with economies in transition in establishing a market infrastructure, carrying out privatization and creating a visible private sector in the economy. Those promising signs gave every reason to believe that the transition process would not be endless and that the countries in transition would in the long run achieve a level of economic development that would enable them to provide assistance to other countries.

41. Ukraine was building a qualitatively new economic system. Its economy was now fundamentally different owing to the Government's implementation of sweeping reforms. Forms of ownership had radically changed. More than 50,000 enterprises had been privatized. The non-public sector now accounted for more than half of the total volume of industrial output. The first steps had been taken to create a land market. Progress had been made in liberalizing the economy: a new price-formation mechanism, including measures for the transition to world prices, had been established, and a liberal foreign-trade regime had been introduced and developed.

42. However, the current global financial crisis had created new difficulties for the new emerging market economies. No country was immune to that crisis. In the circumstances, the Ukrainian Government considered that the only solution was to accelerate structural reforms, adjust national expenditures to resources available from non-inflationary funding and work closely with private creditors. The package of anti-crisis measures adopted by the Government had minimized the impact of the crisis on Ukraine's economy and had enabled it to overcome the first wave of difficulties. Inflation was under control, investments were on the rise and production had been revitalized in some important sectors. Ukraine was grateful for the timely assistance that had been provided by international financial institutions.

43. It was evident that the integration of the economies in transition into the world economy would not be possible without broadening the access of their products to world markets and without regional economic integration. Further reduction of tariff and other barriers and the elimination of discriminatory and protectionist policies were therefore of vital importance. The creation of a transparent and predictable system of multilateral trade relations and access to world markets were essential. Ukraine wished to become a full member of the World Trade Organization (WTO), which, together with UNCTAD, had a real role to play in the development and integration of the economies in transition. In that connection, he drew attention to the Strategy for Ukraine's Integration into the European Union, an officially endorsed text that provided for the harmonization of national legislation and the intensive development of trade and economic relations with members of the European Union on the basis of a cooperation agreement that had entered into force in March 1998. Ukraine attached great importance to the regional component of international economic cooperation and had been one of the initiators of a regional economic process within the framework of the Black Sea Economic Cooperation.

44. It was in the interests of the international community to ensure the prompt integration of the countries with economies in transition into the world economy. A number of United Nations instruments and resolutions had laid the

legal basis for strengthening international economic cooperation. In particular, Ukraine wished to commend the Economic Commission for Europe and UNDP for their efforts in that area.

45. **Mr. Nimac** (Croatia) said that the transition process was complex, since it affected not only the economy but also the legal system, forms of ownership, the role of government and, in particular, the role of civil society. Transition also involved many choices, from the method and sequencing of privatization to decisions about monetary and fiscal policies. It also presupposed certain prerequisites: stability, transparency and political responsibility. The liberalization of trade and financial flows had brought the economies in transition closer to the markets they required. However, it also posed dangers associated with short-term speculative capital flows. That increased the importance of the role that the United Nations played in providing expertise in the economic and social fields. In particular, his delegation commended the role played by UNDP.

46. In the area of social development, transition had led to a rise in unemployment and had caused diverse social problems. In many instances, transition had resulted in marked changes in the distribution of wealth and had increased poverty, particularly among the most vulnerable segments of society. The relatively modest resources that the international community could allocate to technical assistance and aid to countries with economies in transition should be maintained; otherwise, those social problems were likely to become even more serious.

47. Shortly after achieving its independence, Croatia had been faced with a war and occupation of part of its territory. Direct war damage had amounted to $27 billion, or 1.3 times Croatia's gross domestic product (GDP). Estimates of indirect damage were twice as high. In 1993, an economic stabilization programme had been put in place with a view to reforming the system of economic ownership, establishing a competitive environment and creating conditions conducive to economic development and sustained growth. There had been a period of steady economic recovery marked by low inflation and a growth rate averaging 5 per cent. That had placed Croatia among the best performing economies in transition. However, reduced industrial capacity owing to war and the closure of unprofitable enterprises had led to high unemployment, and Croatia's GDP continued to lag behind 1990 levels. While structural reform had proceeded well in some areas, further efforts were needed, particularly in the restructuring and privatization of large public enterprises and the banking sector.

48. Small economies in transition faced particular difficulties in gaining access to foreign markets. However, they had no choice, since that was the prerequisite for their future development. Until the current crisis, the high level of global financial integration had allowed economies in transition to obtain the foreign direct investment they required owing to their insufficient domestic savings. However, the current decrease in capital flows was a cause for concern.

49. Transition had also made it necessary to give some thought to the environmentally sound management of national resources. In the case of Croatia, many ecologically unsound and inefficient enterprises had been closed down. Tourism, an important component of Croatia's GDP, was dependent on the preservation of the quality of the natural environment along the Adriatic coast. Similarly, the question of human rights was also important in a society just emerging from a serious conflict. In that regard, the Government's national reconciliation programme had been in place for 12 months.

50. The role of the United Nations in providing advice and assistance in the process of transition would continue to be vital.

The meeting rose at 11.50 a.m.

United Nations

A/C.2/53/SR.18

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Chairman: Mr. Asadi ..... (Islamic Republic of Iran)

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98-81741 (E)

The meeting was called to order at 3.05 p.m.

Agenda item 93: Sustainable development and international economic cooperation (*continued*) (A/53/62, A/53/63-S/1998/100, A/53/69, A/53/72-S/1998/156, A/53/95-S/1998/311, A/53/96, A/53/124, A/53/155, A/53/168, A/53/204, A/53/296, A/53/371-S/1998/848, A/53/374, A/53/396, A/53/411, A/53/412, A/53/414, A/53/416 and A/53/453)

(b) Integration of the economies in transition into the world economy (*continued*) (A/53/174, A/53/336)

Rights of reply

1. **Mr. Ozügergin** (Turkey) said that he wished to clarify an issue raised by the representative of Armenia in his statement at the previous meeting. His remarks regarding the economic blockade of Armenia by Turkey were unjustified and incomplete. Turkey felt no animosity towards the Armenian people, and in fact had been among the first countries to recognize Armenia. The reason that the Turkish-Armenian border was closed did not lie with his Government. He called on Armenia to pursue peaceful policies which would help the prospects of the region as a whole and of the Armenian people. At any rate, the Second Committee was not an appropriate forum for discussion of that issue.

2. **Ms. Aghadjanian** (Armenia) said that landlocked Armenia was subject to coercive economic measures imposed unilaterally by Turkey and Azerbaijan which hindered its economic development and quite often prevented the delivery even of humanitarian assistance to the Armenian population in the area affected by the 1988 earthquake and to refugees who had been forced to flee Azerbaijan.

3. **Mr. Pashayev** (Azerbaijan) said that his delegation agreed that the Committee was not the appropriate forum for such a discussion, but wished to clarify the statements about the so-called blockade by Azerbaijan. Armenia was occupying 20 per cent of the territory of Azerbaijan, and as a result of that aggression, there were one million refugees and internally displaced persons in his country, out of a population of 7.7 million. Armenia itself continued to blockade the Nakhichevan region of Azerbaijan.

4. As for the economic consequences of the Armenian aggression, 900 settlements had been destroyed, along with businesses and infrastructure. The damage was estimated in billions of dollars. Armenia was actively exploiting the occupied territories by building roads and communications and using the natural resources found there, for example the gold mine in the Kelbadjar district.

5. **Ms. Aghadjanian** (Armenia) said that the transition to a market economy had been painful for every country, but Armenia's difficulties had been compounded by the devastating earthquake of 1988, which had destroyed about 40 per cent of the country's industrial potential. The enormous difficulties created by the blockade made it impossible to reconstruct the disaster area, and much of the population of the northern regions were still living in temporary dwellings without access to basic supplies or jobs. The once-flourishing economy was in a severe crisis and relied on foreign investments, which were hindered by the instability of the region and the economic blockade.

6. With regard to the blockade of Nakhichevan, Armenian authorities had made known, at different times and at different levels, their willingness to open their roads for transportation between Nakhichevan and the rest of Azerbaijan. However, Azerbaijan had declined those proposals, possibly preferring political manoeuvring to solving the real problems of its own people. That was not the first time Azerbaijan had used "Armenian aggression" to justify whatever economic, social or political problem it was facing. It was easier to find a scapegoat to blame for one's own shortcomings and failures than to solve real problems.

7. **Mr. Pashayev** (Azerbaijan) said that the Security Council had adopted four resolutions calling for the withdrawal of Armenian forces from the occupied territory; however, Armenia continued to ignore them. Armenia was maintaining its blockade of Nakhichevan and had destroyed and looted the occupied Azerbaijani territories. It also continued to hinder access to the Black Sea.

(d) Renewal of the dialogue on strengthening international economic cooperation for development through partnership (A/53/85)

(g) Cultural development (A/53/321)

8. **Mr. Khan** (Department of Economic and Social Affairs) said that the item concerning renewal of the dialogue on strengthening international economic cooperation for development through partnership had been under consideration for four years before the high-level dialogue of 17 and 18 September. That dialogue had been an experiment which was considered highly successful.

9. In taking stock of what had occurred, several elements must be taken into account. First, part of the reason for the success of the dialogue had been the high-level involvement of key players in the development process from such spheres

as labour, corporations, academics and non-governmental organizations. Second, the current situation of world economic development had made globalization an urgent issue which had led to a fruitful and productive dialogue.

10. Future dialogues should have a highly topical theme of broad interest to the international community as a whole and with a direct bearing on world events. There should also be an emphasis on true dialogue rather than prepared statements. The most recent experience had indicated the importance of the involvement of other actors, as the Secretary-General had indicated in his report to the fifty-second session on preparations for that dialogue (A/52/425).

11. **Ms. Sibal** (United Nations Educational, Scientific and Cultural Organization (UNESCO)), in introducing the report of the Secretary-General on cultural development (A/53/321), said that the Intergovernmental Conference on Cultural Policies for Development held in Stockholm from 30 March to 2 April 1998 had been convened in order to find practical responses to the challenges posed by culture and development. While culture was clearly rising in public awareness, it remained a low priority in the politics of most countries, as often reflected both in the level of resources allocated to it and in the status of the ministries dealing with it. The question was not whether Governments should adopt cultural policies but how they should do so more effectively. Eliminating stereotypes and constructing a culture of peace must be recognized as being of primary importance. Cross-cultural approaches between nations had also become indispensable.

12. The World Bank had taken a significant step by developing a lending programme for cultural projects. It had also hosted a conference on culture and development, which had brought together many governmental and non-governmental organizations that practised large-scale investment in cultural projects as an investment in development. At that conference, the Director-General of UNESCO had proposed that a "global cultural facility" analogous to the Global Environment Facility should be established.

13. The purpose of the Stockholm conference had been to give UNESCO a renewed mandate to promote international intellectual cooperation in terms that responded to the rapidly changing environment of the new millennium. That meant reviving the leadership role UNESCO had played in the 1970s and 1980s when it had organized a series of intergovernmental conferences on cultural policies. The Action Plan of the Stockholm conference invited the Director-General to integrate a cultural perspective into the next International Development Strategy and the specialized agencies to evaluate their development practices and policies from that perspective. UNESCO must once again serve as the worldwide reference point and set the agenda in terms of cultural policy.

14. **Ms. Djatmiko-Singgih** (Indonesia), speaking on behalf of the Group of 77 and China, said that with the advent of globalization, free market forces had become the arbiter of economic policy-making. The increased exposure of the developing countries to unfettered market forces had raised living standards for many countries; however, owing to the volatility of globalization, many others had been left behind. Even those developing countries in a better position to integrate their economies into the global economy had greatly increased their exposure to risk, which in the end had robbed them of their hard-won economic achievements. The challenge facing the international community, therefore, was to determine how to halt the financial firestorm threatening the world. The question of why the crisis was still spreading must be answered, for the price of failure could be further danger to the global economy.

15. Some dimensions of the problem were becoming clearer, however. Even in the best of times, economic cooperation for development had always been an imperative, and progress could only be assured through dialogue. The traditional international cooperation which had been enjoyed in the past had essentially ground to a halt, despite such important initiatives as the major global conferences of the 1990s and the launching of an Agenda for Development. Thus, with such a retreat from multilateral cooperation for development and the erosion of North-South dialogue, there was no alternative to revitalizing that dialogue, since many of the core issues of development could only be addressed in that way.

16. The high-level meeting of 17 and 18 September had been very useful in generating a rich pool of suggestions and ideas. The discussions had recognized that globalization was inevitable but had also defined it as a man-made phenomenon which could therefore be reshaped by humankind for the benefit of all countries. The Group of 77 saw no better framework than the United Nations for facing contemporary challenges in a spirit of the renewal of dialogue because of its unique characteristics of universality, neutrality and multilateralism.

17. **Mr. Plut** (Austria), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, and, in addition, Norway, said that it was worthwhile continuing the high-level

dialogue on the benefits, risks and challenges of globalization, while looking at ways to further strengthen the framework of the Committee's discussions.

18. The high-level dialogue must be made capable of drawing high-level participation in order to maintain high visibility. The dialogue should have closer links to the work of the Main Committees of the General Assembly, in particular the Second Committee. At the same time, depending on the theme chosen, the possibility of linking the dialogue with the autumn meetings of the International Monetary Fund (IMF) and the World Bank should be examined. Moreover, the European Union believed that the goal of high-level participation would be better served if the dialogue were biennialized.

19. The theme chosen for the dialogue should be clearly defined and have a distinct focus. A gender perspective should also be applied to the chosen theme, as recommended by the Beijing Platform for Action. The European Union therefore endorsed the Secretary-General's recommendation that the theme for the dialogue should be selected at least one year in advance to allow for adequate preparations.

20. Regarding the practical arrangements for the meeting, the European Union believed that the innovative and interactive elements in the discussion, the ministerial round tables and the panel discussions had provided for a most stimulating dialogue. Those elements should be enhanced in future, for example by allowing more time for discussion after the panel presentations. In that regard, limiting the number of panellists to three or four would be helpful. In future, the time of the general debate should be used for interactive discussions. Moreover, the preparation process should be kept as simple as possible. With the exception of the selection of the themes, no formal intergovernmental negotiations on the substance of the dialogue should be necessary. As to the outcome, the format of a Chairperson's summary should be maintained.

21. **Mr. Liu Jingtao** (China) said that the high-level dialogue on the theme of the social and economic impact of globalization and interdependence and their policy implications, held in the plenary Assembly, had been timely and necessary. In an era of globalization and interdependence, as illustrated by the spread of the Asian financial crisis, international development cooperation was more necessary than ever. As the world's largest intergovernmental institution, the United Nations had a unique role to play in that regard, particularly in promoting development, providing policy advice on global development issues and strengthening economic cooperation. Globalization also meant that the prosperity of the developed countries could not be maintained without the healthy economic development of the developing countries. His delegation therefore appealed to the international community to redouble its efforts to ensure a favourable external environment for the growth and development of the developing countries, particularly the least developed countries.

22. Against the backdrop of globalization and interdependence, all States must recognize the importance of maintaining a dialogue on international cooperation. The international community, particularly the developed countries, should display the political will necessary to forge a genuine global partnership based on the principles of mutual benefit and shared but differentiated responsibilities. It should provide strong financial and technological support to the developing countries and promote capacity-building without seeking to impose a fixed development model, but rather should allow them to identify their own priorities and choose their own development path.

23. **Mr. Adawa** (Kenya) expressed his delegation's support for the statement delivered by the representative of Indonesia on behalf of the Group of 77 and China. His delegation welcomed the holding of the recent two-day high-level dialogue on the strengthening of international cooperation for development through partnership and hoped that all Member States would display the political will and commitment necessary to achieve further progress in that area. His delegation fully embraced the spirit of consensus-based multilateralism with a view to expanding mutually beneficial cooperation; to that end, the full participation of the developing countries was essential. His delegation believed that an analysis of global interdependence, particularly with regard to the global impact of macroeconomic policies and the evolution of world trading, monetary and financial systems should inform the development process.

24. The developing countries had fulfilled their responsibilities by carrying out political and economic reforms, including structural adjustment, at a high social cost. He now urged development partners to maintain a supportive global environment characterized by responsiveness to the needs of the developing countries, trade promotion, commodity diversification, market access, enterprise development and investment. The developing countries, particularly the African countries, had been unable to attract significant foreign direct investment or other private capital inflows and were heavily dependent on official development assistance (ODA), particularly for poverty alleviation. External debt continued to hamper investment, economic growth and social progress in

developing countries, particularly the African countries, yet the various debt relief initiatives applied thus far had been ineffective. There was a pressing need for speedier eligibility criteria that would enable more of the indebted low-income countries to benefit from such initiatives.

25. **Mr. Talbot** (Guyana) said that his delegation fully supported the statement delivered by the representative of Indonesia on behalf of the Group of 77 and China. The first high-level dialogue on globalization had constituted a major stride in the effort to revitalize international cooperation for development. It had served to highlight the vital role of the United Nations in helping the international community to deal with both the positive and negative aspects of globalization, pursuant to Article 1 (3) of the Charter of the United Nations, which called on the Organization to solve international problems of an economic and social nature. As the most representative of the existing multilateral institutions, the United Nations must be involved in all aspects of a process that had such broad economic, financial, political and social implications.

26. Future high-level dialogues should focus on follow-up to the first one and should continue to accord priority to globalization and the potential influence of the United Nations in that regard. Accordingly, the Organization should include the issue of globalization in its agenda for future consideration.

27. **Mr. Suh Dae-won** (Republic of Korea) said that the only positive outcome of the crisis, if any, was an emerging consensus that the international financial system required a major overhaul. Such reform should focus on strengthening global multilateral governance based on genuine partnership and mutual interests for a better management of the globalization process.

28. His delegation believed that globalization was an irreversible process, not an option. In order to maximize its benefits and to minimize its risks, the globalization process must be carefully managed. The current financial crisis had underscored the inadequacies of the institutional architecture for global economic governance. There was a need to devise institutional mechanisms that would enable the international community to deal better with the current economic realities. However, any proposal for a new international financial architecture should take into consideration the interests of all the participants from both developed and developing countries.

29. The growing income inequalities between and within countries was one of the most disturbing aspects of globalization. Those gross imbalances in the global economy undermined the political feasibility of the globalization process. A conscious national and international effort should be made to prevent the marginalization of the least developed countries as well as of the most vulnerable groups of people within a country. The benefits of globalization should be shared as widely as possible.

30. The dichotomy of an external environment versus domestic policies was no longer valid. While it was true that individual countries were primarily responsible for their own development, globalization and growing interdependence had made a favourable external environment absolutely indispensable for any steps towards development.

31. The social, political and long-term development consequences of the Asian financial crisis reinforced the validity of the holistic approach to development. Thus, the United Nations, with its democratic membership and broad mandate, could make a unique contribution to international economic policy dialogues. There was also a need for closer cooperation and coordination between the United Nations, the Bretton Woods institutions and the World Trade Organization (WTO).

32. In view of the satisfactory results of the previous month's high-level dialogue on globalization, the proposition of continuing follow-up dialogues in the near future merited careful consideration. Moreover, the themes of future high-level dialogues should focus on more specific aspects of international economic and development cooperation and policy-making and capitalize on the comparative advantages of the United Nations.

33. **Ms. Khan-Cummings** (Trinidad and Tobago) expressed her delegation's support for the statement delivered by the representative of Indonesia on behalf of the Group of 77 and China. The global conferences of the 1990s, the Agenda for Development, the high-level segment on market access in the context of globalization of the Economic and Social Council and the high-level dialogue on globalization had all highlighted the urgent need to take a multidimensional approach to development. In the context of globalization, the goals of the International Development Strategy for the Fourth United Nations Development Decade had become more relevant than ever. Strengthened international cooperation was vital in order to avert a global crisis and to ensure that the development process took into account such issues as poverty and unemployment and promoted market access and the transfer of technology.

34. Her delegation agreed with the major components of development outlined in the report of the Secretary-General on the implementation of the commitments and policies agreed upon in the Declaration on International Economic Cooperation, in particular the Revitalization of the Economic

Growth and Development of the Developing Countries, and the implementation of the International Development Strategy for the Fourth United Nations Development Decade (A/53/301), namely, economic growth, trade, finance, poverty reduction, employment and human resources development. The Agenda for Development, which had revitalized partnership for development and offered guidance for fulfilling the commitments undertaken at the United Nations global conferences, must be supplemented by political will.

35. Her delegation hoped that a consensus would be achieved in the ad hoc open-ended working group on financing for development in order to ensure financing for development strategies. It welcomed the establishment of the development dividend account for the developing and least developed countries, consistent with the recommendations of the Agenda for Development, and hoped that it would cover activities in the areas of trade facilitation and information technology for policy makers. The workshops proposed for the period 1998–1999 in Africa, Latin America and the Caribbean and Asia would be useful starting points for establishing the basic infrastructure. Activities to strengthen the capacity of developing countries to collect, analyse and apply information and enhance policy development in such areas as trade and development, the environment, gender issues and the advancement of women and sustainable development would be of particular importance to Trinidad and Tobago. It was imperative that sufficient resources should be allocated to projects carried out in small island developing States and the least developed countries.

36. She appealed to the international community to support the increasingly marginalized small island developing States and the least developed countries in their efforts to become part of the global economy through macroeconomic reform and regional initiatives. The promotion of special projects to facilitate the transfer of technology, training in market skills and trade promotion would help to alleviate unemployment problems in those countries and enhance international and regional cooperation. In July 1998, a Commonwealth ministerial-level mission had visited Washington, D.C., Geneva, Brussels and several international agencies, including the World Bank, IMF and WTO, in order to highlight the fragile position of small island developing States and their vulnerability to such exogenous factors as commodity price fluctuations, natural disasters and environmental degradation. Additional constraints included the small size of their domestic markets, the vulnerability of their economies to external shocks owing to excessive dependence on a narrow range of exports and the difficulty of gaining access to international capital markets.

37. The international financial institutions must recognize the linkages between poverty, vulnerability and size in the small States. Country-level efforts in the small States and the least developed countries to monitor the adverse impacts of globalization and implement mitigating strategies must be stepped up. She urged bilateral and multilateral donors to focus special attention on small island developing States, particularly middle-income countries that were graduating from grant/aid programmes to the use of per capita income as their main benchmark. Aid should be channelled into capacity-building in the areas of physical infrastructure and human capital development. Capital flows and technical assistance must also be increased.

38. **Mr. Chouinard** (Canada) said that his delegation welcomed the report of the Director-General of UNESCO on the Intergovernmental Conference on Cultural Policies for Development and commended UNESCO on its efforts to highlight the role of culture in development. The follow-up to the Stockholm conference should include the development of a conceptual framework that would incorporate the cultural dimension into development, promote cultural empowerment and promote cultural diversity. In June, as part of the follow-up to the Stockholm conference in Canada, the Minister of Canadian Heritage had held an international conference on cultural policies in Ottawa to discuss the themes of cultural diversity and development, the role of culture in global relations, and culture and trade. Its ultimate goal was to strengthen cultural policies at the national level. The Canadian conference had been attended by 20 ministers of culture, representing both industrialized and developing countries, who had subsequently established an international network for the promotion of cultural diversity and the integration of culture into sustainable development. Future conferences would be held in Mexico in 1999 and in Greece in the year 2000.

39. The follow-up to the Stockholm conference should continue the work of the World Commission on Culture and Development, under the chairmanship of Mr. Pérez de Cuéllar, by stressing the importance of culture in development, identifying non-traditional cultural resources in societies and establishing links between cultural policies and social cohesion. In conclusion, he urged the United Nations system and the Bretton Woods institutions to integrate a cultural perspective into their development agendas.

40. **Mr. March** (Australia) welcomed the constructive and forward-looking nature of the recent high-level debate on

globalization, particularly in the wake of a number of unfocused and unproductive discussions that had failed to fulfil the Organization's role of highlighting economic and social issues vital to its Member States. It was particularly gratifying that the high-level dialogue had sought to develop consensus measures in areas where the United Nations had specific competence.

41. Recognizing the value of debate in a new forum, his delegation could support the holding of another high-level dialogue in the year 2000, which, like the recent dialogue on globalization, should address substantive issues within the Organization's competence in a balanced and forward-looking manner. Nonetheless, revitalizing and amending current practice in the regular United Nations forums was preferable to proliferating new, albeit effective, mechanisms.

42. **Mr. Calovski** (the former Yugoslav Republic of Macedonia) said that the question of marginalization was of particular interest to his delegation, which was concerned at the lack of preventive mechanisms to counter that phenomenon in a globalized era. He proposed including the problem of marginalization in the agendas of United Nations bodies, using as a point of departure, already existing studies and an action paper to be prepared by the Secretary-General of the United Nations, the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) and the executive secretaries of the regional commissions. The Secretary-General might also wish to seek the views of Member States and international organizations such as IMF, the World Bank and WTO.

43. The priority objectives of such deliberations should be the elimination of all barriers to market access; resolution of the external debt problem; the adoption of special IMF/World Bank measures to promote investment in economies vulnerable to marginalization; special projects to promote sustainable development in economies at risk; the promotion of regional and global integration; and, at the national level, the adoption of policies and measures conducive to growth, democracy, the rule of law, the observance of human rights, environmental protection and the achievement of the goals of Agenda 21 and the World Summit for Social Development. His delegation and others would be sponsoring a draft resolution on the prevention of marginalization, which he hoped would be adopted without a vote.

44. **Mr. Baomar** (Oman) said that his delegation welcomed the statement made by the representative of Indonesia on behalf of the Group of 77. Referring to the major economic changes in the world that had taken place in recent years, including the removal of economic barriers and the move towards a world economy, he said that globalization had revealed new challenges and dangers to the economies of the developing countries, many of which faced the danger of marginalization. It was necessary to find ways of avoiding the adverse effects of globalization and to assist the developing countries in adapting their economies to the changes that had occurred.

45. One of the principal means of achieving that would be for the rich countries to undertake to increase their development assistance and endeavour to find a comprehensive solution to the problem of foreign debt, and to integrate the developing countries into the global free trade system. The United Nations also had a potential role to play in that context, in coordination with the Bretton Woods institutions, by seeking international consensus on ways of addressing those changes.

46. His country had made great progress in exploiting its economic resources so as to keep pace with regional and global economic developments. Its development plans involved cooperation between the public and private sectors and were designed to ensure the country's access to international trade. In particular, his Government had taken steps to benefit from the country's strategic location on the sea routes between Europe and the American continent to the north and between Asia and Africa to the south. In that context, one of the major export projects in the region had been implemented at the port of Mina Raysut, which was on international shipping routes and would make an effective contribution to world trade.

47. His country was in the process of joining WTO. Being aware of the importance of worldwide economic cooperation, it had enacted all the laws and fulfilled all the requirements of the agreement establishing WTO, in particular with respect to patents, intellectual property rights and trade relations.

48. His country had striven tirelessly to promote economic cooperation both among the Gulf States and among the littoral States of the Indian Ocean in order to promote a favourable climate for commercial and economic relations.

49. **Mr. Svetogorsky** (Uruguay) said that the international community must become aware of the need for further integration of the cultural dimension into worldwide development efforts. Communications and computerization were playing increasingly greater roles in everyday life and demonstrated the tight bonds between culture and development. Not enough time was spent on discussing the changes in societies and the tribal and religious conflicts that plagued various parts of the world. There was no doubt that culture played a decisive role in the proper functioning of

societies. The world therefore required a solid culture that harmonized people-oriented concerns with economic concerns.

50. Referring to the World Decade for Cultural Development, he stressed that the Pérez de Cuéllar World Report was a significant contribution and an appropriate tool for reaffirming the concept of culture at the heart of development. In that regard, there was a need to follow up the recommendations made to the Director-General of UNESCO at the Intergovernmental Conference on Cultural Policies for Development. He wished to stress, in particular, the recommendation made to the Secretary-General of the United Nations that in one of the years of the United Nations Decade for the Eradication of Poverty, the General Assembly should have a chance to examine the relationship between culture, development and the elimination of poverty.

51. The greatest challenge now facing the world was to build up know-how and the capability to apply such know-how, and to empower young people to use it to cope with the inevitable process of globalization. The education of young people was the best vehicle for bringing about economic transformations, achieving greater political involvement and building worldwide peace.

52. At the dawn of a new millennium, the international community could not afford to be indifferent to the challenges involved in building a global culture for peace. His delegation therefore welcomed the recommendation by the Economic and Social Council that the General Assembly should proclaim, during its fifty-second session, the year 2000 as the International Year for the Culture of Peace.

53. **Mr. Mautchy** (Democratic Republic of the Congo) paid tribute to the United Nations and its specialized agencies for the outstanding services they had provided to his country even in troubled times. Sustainable development in his country could not even be discussed until structural cooperation with the international community had been resumed. The freeze in bilateral cooperation and the halt to structural programmes had sharply decreased external financing for investment and for balance-of-payments support. The structure of ODA had been completely modified in favour of humanitarian assistance and emergency relief. The conditionality which had been imposed upon officials of the Second Republic no longer had any reason to exist, given the achievements of the new Government, which, in a very short period of time, had scored significant successes in areas such as democratization, human rights and socio-economic development.

54. The Democratic Republic of the Congo could do better in its development efforts if the specialized agencies of the United Nations were to reconsider the allocation of the resources used for national staff, especially in the projects implemented. Thirty-eight years after independence, and following considerable investments in education, his country had become a net exporter of university-trained people and experts. That fact should prompt the decision-makers in the specialized agencies to make maximum use of national competence in the Democratic Republic of the Congo.

55. Development cooperation was a subject of great concern to his Government, so much so that it had established a Ministry for International Cooperation. Under the new Government, the people had decided to turn a new page and to develop a different type of cooperation which would be based on the sharing of knowledge and interests. In its new vision of cooperating through an even-handed diplomacy, the Government of the Democratic Republic of the Congo intended to promote active cooperation in the private sector, which was considered as the driving force for development. Under that scheme, the Government would guarantee the conditions of security for people and goods and promote legal and administrative guarantees. A new investment code had been finalized and would soon be in force. While his delegation was all in favour of South-South cooperation, it also intended to develop strong cooperation links with its partners in the North.

The meeting rose at 5.05 p.m.

United Nations A/C.2/53/SR.19

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Chairman: Mr. Asadi ..... (Islamic Republic of Iran)
later: Mr. Prendergast (Vice-Chairman) ..... (Jamaica)

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The meeting was called to order at 10.10 a.m.

Agenda item 95: Operational activities for development (*continued*) (A/C.2/53/L.9)

Draft resolution on preparations for the special session of the General Assembly in the year 2001 to review the achievement of the goals of the World Summit for Children (A/C.2/53/L.9)

1. **Mr. Dahlgren** (*Sweden*) said that the short procedural draft resolution responded to paragraph 27 of General Assembly resolution 51/186.

2. Sweden welcomed the report of the Secretary-General (A/53/186), which provided an update on progress towards the end-decade goals, within the context provided by the Convention on the Rights of the Child, and highlighted the major challenges that remained to be met before the Summit's promises for children could be kept. The report showed that much remained to be done to ensure that the special session to be held in 2001 would be as important as the World Summit for Children.

3. Sweden therefore proposed that the General Assembly should postpone to its fifty-fourth session the consideration of the arrangements for the special session, so that the United Nations and Member States would have time to hold the necessary discussions and prepare an appropriate resolution, while still leaving nearly two years for the formal preparations for the special session.

4. Owing to the procedural nature of the draft resolution, no additional sponsors had been sought, but Sweden hoped that the draft would be adopted by consensus.

Agenda item 94: Environment and sustainable development (A/53/25, A/53/72–S/1998/156, A/53/95–S/1998/311, A/53/96, A/53/156–S/1998/78, A/53/165–S/1998/601, A/53/371–S/1998/848, A/53/416, A/53/425, A/53/487)

(a) Implementation of and follow-up to the outcome of the United Nations Conference on Environment and Development, including the outcome of the nineteenth special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21 (A/53/477)

5. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs) said that the work of the Second Committee had, understandably, been dominated thus far by the world economic crisis, but that it was time for the Committee to turn to another crucial area of its work: the consideration of long-term development issues, including environment and sustainable development.

6. At the current session, the discussions would focus on the Secretary-General's proposals for strengthening the work of the United Nations system in the areas of environment and human settlements, which were directly linked to the Committee's consideration of the Secretary-General's report on ways and means of undertaking the review of progress made in implementing conventions related to sustainable development (A/53/477).

7. More than a year had passed since the nineteenth special session of the General Assembly, at which the progress made since the Rio Conference had been reviewed. In the interval, the Commission on Sustainable Development had changed its emphasis, focusing more on strategic sustainable development issues than on a chapter-by-chapter review of Agenda 21. In addition, better coordination had been introduced between the Commission and other bodies working to build a global consensus on the policies to be implemented in critical sectors for sustainable development, such as the Intergovernmental Panel on Forests, which continued to bring many countries together in a common understanding of sound forestry policy.

8. The Commission on Sustainable Development had also proved to be an effective forum for genuine dialogue between Governments and other stakeholders, such as industry, trade unions and non-governmental organizations. The outcomes of its work were action-oriented, as shown by its strategic approaches to freshwater management and the agreements reached among stakeholders on the issue of voluntary initiatives through which the private sector could undertake to improve its environmental performance. Those activities were complemented by the many local, national and regional initiatives being taken, particularly through national councils for sustainable development.

9. The Commission on Sustainable Development would tackle new challenges in 1999. It would deal, *inter alia*, with issues relating to oceans, since the Commission was the only forum that covered all aspects of those issues, including not only the legal and scientific dimensions, but also pollution control and coastal zone management. It would also consider tourism, which, though it was one of the fastest-growing economic sectors and a major source of income for many countries, could also have a profound impact on environmental and natural resources. Lastly, the Commission would evaluate the Barbados Programme of Action in connection with the five-year review to be conducted in 1999. Work would also be done on agriculture and

sustainable development and on energy and sustainable development, which were on the agendas for 2000 and 2001, respectively. It should be noted that the Commission on Sustainable Development had decided to elect the members of its Bureau at the end of each session so that they could follow and participate in the preparations for the subsequent session.

10. With respect to the impact of the reform of the United Nations Secretariat, especially the integration of three departments into one, the new Sustainable Development Division continued to provide technical cooperation, particularly in the areas of energy and water resources, and more synergies would be created in the future between support for the intergovernmental process and technical cooperation activities. It would also be necessary to strengthen analytical capacities, not only with respect to environment and sustainable development, but also in all areas in which the General Assembly required inputs that would enable it to review long-term development trends.

11. With respect to the Secretary-General's report (A/53/477), it should be borne in mind that the role of the General Assembly and of the United Nations Secretariat was not to interfere in the conference processes, but to strengthen the linkages among the various conventions from a cross-sectoral and integrated perspective.

12. **Mr. Boullé** (Director of the secretariat of the International Decade for Natural Disaster Reduction) introduced the report on international cooperation to reduce the impact of the El Niño phenomenon (A/53/487) which was submitted by the Secretary-General pursuant to paragraphs 4 and 10 of General Assembly resolution 52/200.

13. The report first elaborated on the scientific and technical aspects of the El Niño phenomenon, which had dominated the global climate in 1997 and 1998 with greater strength than ever recorded. Although recent technological developments and increased interest worldwide in natural disaster reduction had contributed to vastly improved skills in the forecasting of the El Niño phenomenon, further improvements continued to pose major challenges to science. Efforts in that direction were being spearheaded by the World Meteorological Organization (WMO).

14. Secondly, the report analysed the opportunities and requirements for preventive action in order to make communities at risk more resilient to the impact of future El Niño events. The recurrent nature of such events offered opportunities for optimized vulnerability reduction, based on a sound understanding of past events and the prediction of future events. It was therefore essential to take preventive measures based on science and technology, such as early warning systems and climate prediction and monitoring, as well as measures in the socio-economic domain, such as zoning regulations, building standards, contingency planning and the strengthening of coping capacities.

15. Thirdly, the report attempted to present an overall view of the socio-economic impact of the 1997–1998 El Niño. Unfortunately, however, little conclusive information on global losses had been available at the time of its preparation and there was no commonly agreed methodology for the assessment of damage. A gap therefore existed in the timely assessment of El Niño damage and the provision of reliable statistics to guide future actions. A further crucial problem at the country level was how to decide whether specific damages incurred should be attributed to the El Niño phenomenon.

16. Looking beyond pure figures, the natural disasters caused by El Niño had tragic consequences for people and communities. They destroyed crucial infrastructure and vital networks and temporarily deprived the population of shelter and basic social services. They also severely disrupted economic activities at the macroeconomic and local levels and impeded economic competitiveness, while investment in sustainable development was marginalized and progress very often halted.

17. It was for those reasons that the General Assembly had included the item in the agenda of its fifty-second session in recognition of the fact that the affected communities could no longer limit themselves to compensating the loss of lives and property and that the only affordable solution lay in disaster prevention, preparedness and mitigation.

18. As indicated in paragraphs 30 to 33 of the report, through the Inter-Agency Task Force on El Niño, the United Nations system had adopted an overall strategy for reducing the impact of the El Niño phenomenon which brought together the scientific and operational capacities of the whole Organization, a unique forum allowing for a system-wide, multidimensional and multidisciplinary strategic approach.

19. The process towards improved disaster reduction would form a key component of the overall evaluation of the achievements of the International Decade for Natural Disaster Reduction, scheduled to take place in Geneva in 1999 as a complement to the discussions at the substantive session of the Economic and Social Council. In addition, an international conference on early warning systems for the reduction of natural disasters, held in Germany in September 1998, had reconfirmed the potential of early warning systems. In that connection, the United Nations Development Programme (UNDP) was continuing its work

on improving the assessment of the social and economic impact at the country and community levels.

20. In accordance with General Assembly resolution 52/200, which requested the Secretary-General to promote an intergovernmental meeting of experts that would form the cornerstone in shaping a concerted process of cooperation, the first such meeting was due to be held in Ecuador in November 1998, with the participation of the Intergovernmental Oceanographic Commission (IOC), WMO, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and various other actors. It would provide for the first ever system-wide scientific and technical retrospective of the El Niño phenomenon and would establish a platform for the development of sustained future strategies based on concrete data. Peru had offered to host a second meeting, which would emphasize the role of decision makers and the operational application of specific knowledge on El Niño.

21. The recommendations in the conclusion to the Secretary-General's report should provide the necessary guidance to Member States. If Member States applied the existing means in a concerted fashion, they would be able to achieve positive results in disaster mitigation and prepare themselves for a future recurrence of the El Niño phenomenon.

22. **Mr. Amin** (Director of the Regional Office for North America of the United Nations Environment Programme) said that he would deliver the statement of the Executive Director of the United Nations Environment Programme (UNEP), who had had to go to Nairobi to participate in the African Ministerial Conference on the Environment.

23. The past year had been a decisive one for UNEP in that its role and mandate had been redefined by the Nairobi Declaration. The report of the Governing Council of UNEP (A/53/25) reviewed the work of the Council at its fifth special session, at which it had considered key concerns raised during the special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21. The recommendations of the United Nations Task Force on Environment and Human Settlements, which were included in the report of the Secretary-General on environment and human settlements (A/53/463), would also have significant implications for the deliberations of the Second Committee on environment and sustainable development.

24. The fifty-third session of the General Assembly had so far been dominated by discussions on the impact of the current global financial turmoil, which would undoubtedly be an additional impediment to the collective struggle of the international community to inject the concept of environmental and social sustainability into the design and implementation of economic policies. The immediate economic crisis could have the effect of masking a whole range of long-term environmental problems which portended immense consequences for the socio-economic well-being and security of nations. UNEP would therefore endeavour to ensure that the gains which had been made in international environmental protection over the past two decades were not reversed.

25. At its fifth special session, the Governing Council had adopted a number of reforms, as well as new priority areas for UNEP action. With regard to internal reform, the organizational structure of UNEP was being remodelled in accordance with the Nairobi Declaration, with a view to achieving greater policy coherence and more effective programme delivery. The United Nations Office at Nairobi (UNON) had assumed responsibility for all administrative services of both UNEP and Habitat, thus allowing for administrative economies of nearly 30 per cent. That saving, the "environment dividend", would be used to fund the substantive activities of UNEP programmes.

26. The first major area in which UNEP would be concentrating was the development of an early warning capacity, not just in terms of environmental emergencies, but also with regard to monitoring environmental trends. The aim was to link monitoring, assessment, early warning and emergency response mechanisms.

27. Secondly, UNEP was concentrating on industry and technology transfer, including cleaner production and voluntary initiatives with the private sector, which had a major role to play in promoting sustainable development.

28. The third priority area was information, assessment, monitoring, diagnostic analysis and action programmes for freshwater management. Using a new global environmental monitoring system for freshwater, UNEP was laying the foundations of a system for predicting "hot spots" and environmental emergencies, so as to alert Governments to take the necessary steps to use their water resources rationally. With the support of the Global Environment Facility, it had initiated a global international waters assessment, taking into account socio-economic variables. That assessment would make it possible to provide information at a level of disaggregation that would be useful to decision makers at the national and regional levels.

29. In line with its support to Africa, UNEP had under way several initiatives, including a project to help African countries deal with the growing ecological impact of large cities on the continent's water resources. Within the

framework of the United Nations System-wide Special Initiative for Africa, the joint UNEP-Habitat project would assist African countries to put in place early warning mechanisms for timely detection of potential "hot spots". Finally, in partnership with the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNEP had organized a Pan-African conference on sustainable integrated coastal management in Maputo, Mozambique, which had adopted the Maputo Declaration establishing a framework for regional cooperation and management of marine and coastal resources.

30. The fifth area of concentration involved the coordination and development of environmental policy instruments. Within that area, remarkable headway had been made with regard to two international legal instruments designed to ensure the safe management of hazardous chemicals that moved across borders. The Prior Informed Consent Procedure Convention for Certain Hazardous Chemicals and Pesticides in International Trade had been adopted at Rotterdam, and negotiations for a global legally binding instrument on persistent organic pollutants had been initiated in June 1998. Continuing with its focus on law, UNEP was concentrating on its support to the environmental conventions and was working to develop coherent interlinkages and coordination among them, as mandated at the special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21. Those efforts were described in the report of the Secretary-General on ways and means of undertaking the review of progress made in implementing conventions related to sustainable development (A/53/477).

31. With regard to other activities, he said that the High-level Committee of Ministers and Officials would be meeting in Buenos Aires on 10 November 1998 to provide guidance on reform of UNEP, financing of sustainable development and the contribution of UNEP to the seventh session of the Commission on Sustainable Development. In that connection, UNEP and the World Trade Organization (WTO) would be hosting an international conference on sustainable tourism in small island developing States and other island States. That conference would be followed by the twentieth session of the Governing Council of UNEP, which would be considering the topic of tourism, the ongoing reform of UNEP and the work programme for the biennium 2000–2001.

32. In conclusion, he said that he wished to reiterate that UNEP needed a solid financial base in order to discharge its strengthened mandate and meet the growing environmental challenges worldwide. Over the last few months, there had been a positive trend in contributions, and it was to be hoped that the further focusing and revitalization of UNEP would result in the further strengthening of financial support.

33. **Mr. Hapsoro** (Indonesia), speaking on behalf of the Group of 77 and China, said that, considering the number, the importance and the interdependence of the environmental conventions, the coordination of work related to them was essential. Furthermore, the reports on the implementation of those conventions stressed the need for consistency in policies and actions. Coordination was not easy because the conferences of parties to the conventions were autonomous bodies, and the secretariats were scattered around the world. The task of the current meeting was to review the follow-up to the United Nations Conference on Environment and Development and the fulfilling of commitments undertaken at Rio and reaffirmed at the nineteenth special session of the General Assembly. In that regard, the report of the United Nations Task Force on Environment and Human Settlements, which suggested lines of action to be taken to strengthen the United Nations Environment Programme (UNEP) and the United Nations Centre for Human Settlements (Habitat) should be considered by the General Assembly under agenda item 30. With regard to progress made since the Conference, he pointed out that many countries had established national coordinating mechanisms for implementation of Agenda 21 and that three conventions had entered into force. Nevertheless, just when the developing countries were making an effort to implement Agenda 21 and to include the sustainable development approach in their economic development plans, they were in danger of failing because of the decline in official development assistance and the world financial crisis. Poverty had worsened and, consequently, so had environmental degradation.

34. The Group of 77 and China had noted with satisfaction the report of the Secretary-General on international cooperation to reduce the impact of the El Niño phenomenon (A/53/487). In 1997 and 1998, many countries in Africa and Asia had experienced climate anomalies and natural disasters; moreover, forest fires had caused incalculable damage in Indonesia. Nevertheless, there was some cause for optimism. The experience of the affected countries would provide the necessary input for disaster prevention. The United Nations was in a position to implement a coordinated strategy. In that regard, the Group of 77 and China noted that the secretariat of the International Decade for Natural Disaster Reduction, which coordinated relevant El Niño issues, was responsible, as task manager for the Inter-Agency Committee on Sustainable Development, for the preparations for the special session on the Programme of Action for the Sustainable Development of Small Island Developing States. The Group of 77 and China also

welcomed the international Decade-related conference that had been held in Potsdam, Germany, in September 1998, on early warning systems for the reduction of national disasters, and agreed with the Secretary-General that the prevention of negative impacts from future El Niño events must be the highest priority in international disaster management. The first intergovernmental meeting of experts on El Niño would be held in Guayaquil, Ecuador, in November 1998. At the current session, the Group of 77 and China, together with Mexico, would submit a draft resolution entitled "International cooperation to reduce the impact of the El Niño phenomenon", and hoped that their partners would adopt the draft resolution by consensus.

35. With regard to the report of the Secretary-General on utilization of the development dividend (A/53/374), the Group of 77 and China considered that such funds should be used only for development projects that were not mandated under the regular budget, and that the focus should be on projects with multiplier effects and which contributed to capacity-building, including human resources development. Member States had a role to play in defining the principles for the use of the development account.

36. **Mr. Glanzer** (Austria), speaking on behalf of the European Union, the Central and Eastern European countries associated with the European Union and the associated country Cyprus, said that encouraging progress had been made in the field of sustainable development, such as the adoption of the Convention on the Prior Informed Consent Procedure, the replenishment of the Global Environment Facility and the holding of the second meeting of the Intergovernmental Forum on Forests. However, many environmental problems had been aggravated as a result of continuing poverty and production and consumption patterns that were not adapted to sustainable development. In order to achieve sustainable development, environmental issues must become an integral part of national policies and international cooperation. The European Union was well aware of that fact and was extremely concerned by the decline in official development assistance (ODA).

37. He stressed the need for improved coordination among the environmental conventions and their secretariats, and for an integrated approach that would put an end to the proliferation of meetings and mechanisms. The European Union attached great importance to the integration of an environmental dimension into all United Nations policies and activities. In that regard, it noted with satisfaction the recommendations made by the United Nations Task Force on Environment and Human Settlements, which the Secretary-General intended to implement on his own authority.

38. With regard to climate change, the Kyoto Protocol constituted a major step forward in the reduction of greenhouse gases. Nevertheless, before the Protocol could enter into force, many issues needed to be addressed, in particular the operation of flexible mechanisms, which should be governed by clearly defined and equitable criteria. The international community had endorsed the Programme of Action for the Sustainable Development of Small Island Developing States, since such States were particularly vulnerable to the effects of climate change, and he stressed the international community's responsibilities towards those States. In addition to the bilateral contributions of its member States, the European Union had committed over 1 billion ECU for the period 1996–2000 within the framework of the Lomé Convention.

39. He noted the importance of the fourth meeting of the Conference of the Parties to the Convention on Biological Diversity for work programmes in many fields of biodiversity, including marine and coastal biodiversity, which would be a valuable contribution to the United Nations Year of the Oceans. The European Union also attached great importance to the conservation and sustainable use of forests, given the threats that they faced, as had been demonstrated by the recent forest fires in various parts of the world. Negotiations on a biosafety protocol should conclude in February 1999.

40. The European Union was the largest external source of financing for efforts to combat desertification. It welcomed the fact that a number of countries in Africa had already begun to include that concern in their development plans. In that context, the European Union supported, in particular, the "bottom-up" approach recommended in the Convention. It hoped that the second session of the Conference of the Parties to the Convention to Combat Desertification, to be held in Dakar in December 1998, would give new impetus to implementation of that instrument. The European Union reaffirmed its commitment to sustainable development.

41. **Mr. Valle** (Brazil), speaking on behalf of the Southern Common Market (MERCOSUR), welcomed the fact that the idea of sustainable development was gaining ground in public administration bodies and all sectors of civil society. The MERCOSUR countries supported the conclusions of the nineteenth special session of the General Assembly, and believed that many challenges must be met before the goals of Agenda 21 could be achieved. Sustainable development was inseparable from the problems of social development and population. Since 1992, poverty had increased, and with it environmental degradation; production and consumption patterns that conflicted with the interests of sustainable

development were still in common use, and pollution had increased. At a time when international cooperation was more essential than ever, there were those who sought to give a new interpretation to the basic principles of Agenda 21. While countries should work towards achieving sustainable development based on democracy, social justice and respect for the environment, for many developing countries the challenges far outweighed the means. International trading conditions must be made less hostile to such countries. As a first step, their exports should no longer be denied entry on the pretext of environmental protection. Furthermore, while poverty must be eliminated in the South, waste must be reduced in the North. Two conferences of the States parties to two conventions would be held in November 1998, and negotiations on a biosafety protocol were in progress. The MERCOSUR countries were following with interest the preparations for the next session of the Commission on Sustainable Development, and its initiatives with respect to forests and freshwater. MERCOSUR provided its member States with a suitable framework for coordinating their environment and sustainable development policies.

42. **Ms. Linde** (United States of America) said that because the United States was blessed with extensive and varied forests, it had extensive experience in forest management and sustainable forestry. At the international level, her Government and that of Brazil would sponsor an international experts meeting in March 1999 in San Juan, Puerto Rico, and the Intergovernmental Forum on Forests had held its first substantive session in Geneva in the summer of 1998. That Forum had led to recommendations which must be implemented by, *inter alia*, applying the criteria and indicators established by the Intergovernmental Panel on Forests, prior to any debate over possible future instruments.

43. With regard to chemicals, an agreement on prior informed consent had just been completed, and work was under way on a second agreement on persistent organic pollutants. Her Government was convinced that the second of those issues should be addressed in a multilateral forum and was prepared to work constructively with other countries and to share its experience with them.

44. With respect to climate change, the United States would participate in an intergovernmental experts meeting on El Niño, to be held in Guayaquil, Ecuador, in November 1998. The impact of El Niño, though serious, had been limited in 1998 through preventive measures. Her Government would also like to share its experience in that field and looked forward to working with interested delegations on preparations for the special session of the General Assembly on the review of the 1994 Global Conference on the Sustainable Development of Small Island Developing States.

45. **Mr. Chung Rae-kwon** (Republic of Korea) said that there had been meaningful progress in strengthening the legal framework for environmental management since the adoption of a new strategy for environmental protection at the nineteenth special session of the General Assembly. His delegation welcomed the adoption of the Kyoto Protocol and the important achievements in the area of instruments relating to chemical safety and management and hoped that the ongoing negotiations on forests and persistent organic pollutants would be successfully concluded as scheduled.

46. His delegation also welcomed the recommendations made by the United Nations Task Force on Environment and Human Settlements and considered that the recommendations concerning the organization of a ministerial-level environmental forum, the establishment of an environment management group and the development of coordination between environmental conventions should be considered in depth by the General Assembly in plenary session. It hoped that those recommendations would help to strengthen coordination between various institutions and to create synergies among all those involved in environment management.

47. However, his Government hoped that the Commission on Sustainable Development's unique role would be maintained. The new thematic approach adopted by the Commission at its most recent session, which involved the integration of sectoral and cross-sectoral themes and the participation of major groups and economic sectors, had proved extremely useful.

48. His Government welcomed the choice of sustainable consumption patterns as a cross-sectoral theme for the next session of the Commission. In order to promote consensus between developed and developing countries with respect to the encouragement of sustainable consumption patterns, the Republic of Korea would host an expert meeting on consumption patterns of East Asia in January 1999. The meeting would focus on the links between economic development and the environmental impact of consumption patterns; other matters to be considered included the links between rising income levels and the environmental impact of consumption; the impact of globalization in spreading the consumption patterns of developed countries to developing countries through trade, advertising and the media; and links between traditional lifestyles or cultural values and patterns of consumption.

49. Although the meeting would deal primarily with trends in East Asia, it would be open to all interested Governments. His Government believed that other developing countries experiencing rapid economic growth and the effects of globalization could benefit from the conclusions to be drawn at that meeting, the outcome of which would be reported on at the next session of the Commission on Sustainable Development, and he expressed the hope that that initiative would help to promote consensus on sustainable consumption patterns.

50. **Mr. Nebenzia** (Russian Federation) said that it was important to preserve and strengthen the political impetus which the nineteenth special session of the General Assembly had given to the implementation of Agenda 21 at the global, regional and national levels. During the past year, several important international agreements on environmental protection had been concluded; the conventions adopted at, or as a result of, the Rio Conference had borne fruit; the process of negotiation on sustainable forest management had developed dynamically; and a productive discussion of the sustainable use of freshwater resources had led to agreed approaches. The Russian Federation was playing an active role in those processes and intended to further contribute to a solution to the environmental problems facing mankind.

51. The Commission on Sustainable Development and the United Nations Environment Programme (UNEP), working in partnership with other United Nations programmes and specialized agencies and with the secretariats of environment- related conventions, should continue to serve as key mechanisms in the field of international cooperation for sustainable development. The decisions taken by the General Assembly at its nineteenth special session had led to encouraging changes in the work of the Commission and of UNEP. His delegation hoped that the steps taken by the Commission at its sixth session would enable it to successfully implement its new multi-year programme of work and to make progress in solving the sectoral and cross-sectoral problems of highest priority.

52. His Government welcomed the revitalization of UNEP under the dynamic leadership of its new Executive Director and hoped that the reorganization of the United Nations environment sector, which was on the agenda of its current session, would help to strengthen the role of UNEP as the primary environmental component of the United Nations system. In that regard, he noted the contribution of the United Nations Task Force on Environment and Human Settlements, which had submitted useful proposals and recommendations. However, some of those suggestions required considerable clarification.

53. As international environmental law developed and legal instruments for the regulation of policies and of interaction between States in the field of sustainable development increased, there was a growing need to ensure policy coherence and coordination of activities at the intergovernmental and inter-agency levels. In that context, the General Assembly's role must also evolve. The Assembly could no longer limit itself to separate consideration of the three conventions signed in Rio de Janeiro; rather, it should promote an integrated approach to consideration of the issue in a broader perspective, including the relationship between the conventions and other international legal instruments in the field of sustainable development.

54. The report on ways and means of undertaking the review of progress made in implementing conventions relating to sustainable development, submitted pursuant to General Assembly decision 52/445, was a step in the right direction. The report clearly defined the roles of all participants in that process. Generally speaking, his delegation supported the approach that was the basis for the recommendations made in the report, namely, that general policy decisions relating to the implementation of conventions was a sovereign prerogative of the Conferences of States parties to those conventions, whereas the role of United Nations bodies and of the General Assembly was to determine and understand the relationship between various international legal instruments and to make recommendations on ways of improving the performance thereof. Lastly, his delegation hoped that the General Assembly would prepare a specific resolution on that question.

55. **Ms. Wang** (China) said that her delegation wished to associate itself with the statement made by Indonesia on behalf of the Group of 77 and China. The United Nations Conference on Environment and Development had put forward the concept of harmonization between environment and development as the key to sustainable development. In recent years, many countries had endeavoured, with some success, to implement Agenda 21, and the concept of sustainable development had been widely accepted and integrated into various aspects of economic and social life.

56. Her delegation wished to comment on a number of conventions, and would do so under the relevant agenda item. While some progress had been made, the current environmental situation was hardly satisfactory, and the objectives set by the Rio Conference had by no means been attained: many developed countries had been unable to meet their commitments towards the developing countries and provide them with financial and technical assistance. ODA

continued to decline, and there was a trend towards justifying protectionist practices, on the grounds of environmental protection. All those factors hindered developing countries' efforts to achieve sustainable development.

57. The rapid advance of globalization and the tremendous progress that had been made in science and technology had not only resulted in unprecedented development, but had also posed a considerable challenge, especially for the developing countries. In addition to their efforts to eradicate poverty and promote economic development and environmental protection, the developing countries now had to cope with globalization.

58. The international community and the developed countries in particular, should, in the spirit of global partnership suggested by the Rio Conference, endeavour to take action on the consensus reached at the Conference. It should provide the promised financial and technical assistance and create conditions conducive to the development of the developing countries, taking the situation and special needs of those countries fully into account.

59. **Mr. Dausá Céspedes** (Cuba) said that his delegation associated itself with the statement made by the representative of Indonesia on behalf of the Group of 77 and China. Since the fifty-second session of the General Assembly, important new information had come to light in the field of environment and sustainable development. Although the international community had reached new agreements, environmental degradation continued, and the developed countries had a long way to go in meeting their ODA commitments.

60. Cuba attached particular importance to the funding mechanisms provided for in each of the framework agreements and to the World Environment Fund, and was also following with great interest the preparations for the special session of the General Assembly on follow-up to the Global Conference on the Sustainable Development of Small Island Developing States.

61. The international community had acknowledged that the special needs and problems of small island States made them particularly vulnerable. While it was primarily up to those countries themselves to take appropriate action to achieve sustainable development, support from the international community remained indispensable, especially for the implementation of the Barbados Programme of Action. In that connection, his delegation was convinced that the meeting between small island developing States and donors, to be held in February 1999, would lead to significant and concrete results with regard to financing of projects of importance to those countries.

62. If progress in sustainable development was to be achieved, greater financial assistance would not be enough. Efforts must also be made to increase technology transfers and technical assistance, which were two interdependent areas. It was important to strengthen the role of the United Nations Environment Programme (UNEP), particularly in Africa. His delegation attached great importance to the in-depth consideration of the report of the United Nations Task Force on Environment and Human Settlements.

63. **Ms. Cardoze** (Panama), speaking on behalf of the States Members of the Rio Group, said that the heads of State and Government who had met in Panama in September had emphasized that the environment and sustainable development were highly complex issues that posed serious challenges to democracy and the sustainable integration of the countries of the region.

64. The States members of the Rio Group noted with concern that the problems considered at the Rio Conference six years earlier had worsened. Those problems included the destruction of fossil fuels, deforestation and the progressive increase in the levels of carbon dioxide and other greenhouse gases in the atmosphere.

65. The Rio Group was determined to take concerted action to promote the implementation of Agenda 21 and the decisions taken at the Summit Conference on Sustainable Development, held in Santa Cruz de la Sierra. Cooperation and concerted action at the international level should proceed in accordance with Principle 7 of Agenda 21, namely that States had common but differentiated responsibilities.

66. The countries members of the Rio Group considered that the issues of environment and sustainable development were just as important as efforts to eradicate poverty and strengthen democracy. There could be no stable growth or sustainable development without equity and respect for human rights. For that reason, they supported all measures to improve the living conditions of the most disadvantaged sectors of the population, such as the strengthening of programmes to broaden access to drinking water and the implementation of educational programmes to promote awareness of environmental, economic and social problems.

67. In the view of the Rio Group, the private sector had an important role to play in achieving a balance between environmental protection and economic growth. The latter should not occur at the expense of the environment and should not lead to the destruction of fragile ecosystems or

transboundary movements of hazardous wastes. The industrialized countries should help the developing countries manage their natural and energy resources by providing them with environmentally sound technologies.

68. The countries members of the Rio Group were committed to uniting their efforts to build a more prosperous world, and stressed that the ratification and implementation of international conventions on biological diversity, climate change and desertification were essential. Accordingly, they were currently developing programmes for the conservation, management and sustainable use of water, coastal and marine resources, which would enable them to achieve sustainable development and meet the basic needs of their people. The programmes in question should not be not only national but also regional and international.

69. The Rio Group considered that the international community should undertake an integrated study of the El Niño phenomenon, since it affected not merely one region but the entire world. In accordance with the provisions of General Assembly resolution 52/200, it was essential to devise a comprehensive cooperation programme with a view to preventing the effects of El Niño and mitigating its impact. The Rio Group noted with satisfaction that the first intergovernmental meeting of experts on the El Niño phenomenon would be held in Guayaquil, Ecuador, from 9 to 13 November, and that an international meeting on the same topic would be held in Lima in 1999. The United Nations system should establish a mechanism or strategy that would afford a means of preventing the damage caused by El Niño. Before the International Decade for Natural Disaster Reduction came to an end, the international community should devise a strategy that included detection of the phenomenon, prevention of its effects, and planning for international action to reduce the impact of natural disasters.

70. The Rio Group intended to participate in the drafting of the draft resolution on strengthening the implementation of General Assembly resolution 52/200, which would be submitted during the current session. It was convinced that the adoption of appropriate economic policies and the committed participation of the industrialized countries and international financial institutions would make it possible to meet the challenges of sustainable development.

71. **Mr. Gerus** (Belarus) said that, although it was undeniable that considerable work had been done at the international, regional and national levels in the six years since the United Nations Conference on Environment and Development, to implement the recommendations contained in the documents which had resulted from the Conference, it had nevertheless been insufficient to reverse the negative trends observed concerning the spread of poverty and illiteracy, marginalization of the least developed countries, marine pollution and the ecological degradation of vast areas on all continents. The importance of the nineteenth special session of the General Assembly to review and appraise the implementation of Agenda 21 lay especially in the fact that the Assembly had defined the major avenues for the strengthening of international cooperation for the implementation of Agenda 21 and the mobilization of new energy to accelerate the process.

72. Belarus believed that it was still too early to assess the results of the Programme for the Further Implementation of Agenda 21 adopted at the nineteenth special session, but it was clear that its success largely depended on the extent to which the elements of the programme were reflected in the reform of the activities of the United Nations in the economic and social field. In that context, special attention must be paid to the need to adapt the operational funds and programmes of the United Nations system, as well as the regional commissions, to current demands.

73. His Government attached great importance to activities centred on the implementation of the decisions of the United Nations Conference on Environment and Development at the national level. In fact, that Conference had coincided with the beginning of transition towards a market economy. For six years, his country had been endeavouring simultaneously to ensure its transition to a market economy and realize sustainable development. It was focusing in particular on strengthening national capacity in the area of sustainable development and observing its related international commitments. A national strategy was currently being implemented to put Belarus on the road to sustainable development and lay the foundations for an appropriate new legislative framework.

74. Belarus had ratified the Convention on Biological Diversity and the amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer. It planned to ratify the United Nations Framework Convention on Climate Change and its Kyoto Protocol and would be prepared to sign an international convention on forests. Moreover, it was endeavouring to make a contribution to strengthening international cooperation in the area of environmental protection and sustainable development at the regional and subregional levels. In April 1997 it had hosted in Minsk an international conference on the sustainable development of the countries in transition which not only had led to better understanding of the most serious problems encountered by the States in the region but also to effective solutions. An international conference organized with the assistance of

United Nations representatives in the Republic of Belarus had opened in Minsk on 19 October on the topic of the environment and human rights. It was examining means of strengthening cooperation among States in order to create a better standard of living for their people and in particular to eliminate the lingering consequences of the Chernobyl disaster.

75. His Government was currently studying the possibility of establishing a regional centre for sustainable development at Minsk. It was certain that the research activities and scientific studies oriented towards practical applications that would be conducted by the centre would serve the interests of all the countries of Eastern Europe and the Commonwealth of Independent States.

76. In conclusion, he expressed the hope that his country could enter into fruitful cooperation with all the members of the international community in the implementation of Agenda 21.

77. **Mr. Chouinard** (Canada) said that his delegation appreciated the efforts of the Secretary-General to improve the capacity of the United Nations to meet the challenges of the new millennium. It welcomed the recommendations of the Task Force on Environment and Human Settlements, in particular those aimed at improving inter-agency coordination with regard to the environment and developing synergies between the multilateral environmental conventions. It would be useful to establish a forum where environment ministers could discuss the major global environmental issues and provide policy direction.

78. Climate change stood out as the most serious problem, and Canada's signing of the Kyoto Protocol in April underlined its commitment to early action. The international community must work together to facilitate the implementation of the commitments contained in the Kyoto Protocol and the reduction of global emissions of greenhouse gases. Early agreement on international flexibility mechanisms was also particularly important. Emissions trading and projects to reduce emissions would help the States parties to the Protocol to meet their obligations.

79. Given the level of global emissions, environmental objectives might not be met unless action was taken by a broader range of countries. Climate change mitigation and efforts to improve energy efficiency could contribute both to economic growth and competitiveness and to sustainable development. Canada hoped that the Conference of Parties to the Convention on Climate Change to be held in Buenos Aires in November 1998 would result in an agreement on a work plan and timetable to implement the key provisions of the Kyoto Protocol.

80. The issue of forests was also highly important, and in February 1999, Canada would co-host with Costa Rica the first of a series of meetings to facilitate technical discussions on legally binding instruments on all types of forests.

81. The Barbados Conference was one of the great achievements of the United Nations in the area of sustainable development. Canada supported the preparatory process for the special session of 1999 and would participate in the donor conference in February 1999. It commended the Alliance of Small Island Developing States for its initiatives and actions.

82. Canada welcomed the positive outcome of the Rotterdam diplomatic conference which had adopted the Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, signed by 57 countries. It continued to be very concerned by the serious risk that persistent organic pollutants (POPs) posed to human health and the environment. It had signed the Aarhus Protocol on POPs and intended to ratify the protocols on POPs and on heavy metals before the end of 1998. It had also recently hosted the first meeting of the intergovernmental negotiating committee for a legally binding global instrument on persistent organic pollutants.

83. Canada was one of the 167 States parties to the Montreal Protocol on Substances that Deplete the Ozone Layer, and, over the past 10 years, had fulfilled all the commitments it had made. In that connection, it was determined to continue to play an active role in the implementation of the Protocol.

84. Canada, which was bordered by three oceans, attached great importance to ocean management. It had taken a leading role in promoting the activities of the International Year of the Ocean in 1998, notably by agreeing to sponsor the signature of the ocean charter, one of the main initiatives of the Year. It was one of the first countries to have adopted a law on the oceans, providing a legal basis for the conservation and sustainable use of marine resources.

85. In its capacity as Chair of the Arctic Council, Canada had recently hosted the first ministerial meeting of the Council, a new international organization founded to foster cooperation and coordination among Arctic countries. The member countries of the Council had developed a new model of partnership, conferring on groups representing indigenous peoples the status of permanent participants.

86. Addressing global environmental problems and enabling all countries to achieve sustainable development

represented the major challenges facing the United Nations at the dawn of the new millennium.

87. **Mr. Loizou** (Cyprus) said that his delegation associated itself with the statement made by the representative of Austria on behalf of the European Union, and that all countries should espouse the principles of sustainable development. Cyprus had adopted an environmental action plan and had made the sustainability of social and economic policies one of the main aspects of its strategic development plan. It had also drafted a new environmental protection bill. As a result of those efforts, the state of the environment in Cyprus was generally satisfactory. The main problems encountered were due to the urbanization of coastal areas, land use, infrastructure projects, the production of energy, the overuse of natural resources and tourism.

88. The past decade had been decisive for Cyprus in that emphasis had been placed on the social aspects of development and on the environment. The improvement of living standards and the protection of the environment and the cultural heritage were the basic aims of the country's development process.

89. Cyprus was a member of the Mediterranean Commission on Sustainable Development. The Commission's priorities were coastal area management, raising public awareness, water management and the integration of environmental concerns in development policies. The environment and respect for fundamental human rights were indivisible, the right to live in an environment of high quality having been recognized by the General Assembly as a fundamental right in its Declaration on the Right to Development. Sustainable development was linked to the right of peoples to sovereignty over their natural wealth and resources, as stated in the communiqué issued by the heads of State of the Alliance of Small Island States at the 1994 Barbados Conference. Cyprus, because of its history, fully understood the concerns of the small island States, whose environment and security were under ever greater threat. Sadly, it understood how acts of aggression and occupation could cause suffering among the population, the destruction of economic resources and great damage to the environment and the cultural heritage.

90. Cyprus was particularly concerned at plans to build a nuclear power plant in an area of high seismic risk, opposite its northern coast. The severe drought which had afflicted the country for the past four years was another cause for anxiety. Because of a lack of fossil fuels, Cyprus had been making ever greater use of solar energy and had become one of the leading consumers of that energy source. It stood ready to share its experience and expertise in that sphere with small countries facing similar problems. In that connection, his Government was considering convening, following the Review Conference of the Barbados Programme of Action, a meeting to identify practical solutions to the challenges facing small island States.

91. There was a need to raise awareness of environmental problems at all levels of the public and private sectors through interactive communication. While Cyprus welcomed the adoption of an increasing number of environmental rules, regulations and standards, the need to enhance cooperation and consultation with the private sector must be emphasized. It urged the non-governmental organizations, which made a vital contribution, to strengthen their role in the field of environmental protection.

92. Education was the key to environmental protection, and well-structured programmes must therefore be put in place at the national level in order to raise awareness among current and future generations of decision makers of the problems of protecting the environment and defending the national and global heritage.

93. **Mr. Kolby** (Norway) said that, while there were encouraging examples to illustrate the progress made towards the goal of sustainable development since the Rio Conference and the nineteenth special session of the General Assembly, that progress was slow and uneven and numerous threats to the environment remained.

94. Agenda 21 and the other documents produced by the Rio Conference provided a comprehensive and sufficiently accurate description of the interconnections, the type of measures to be taken and the resources necessary to achieve the desired results. Recent developments, including the adoption of the Kyoto Protocol, the negotiations for the development of a protocol on biosafety, the adoption of a legally binding instrument on the prior informed consent (PIC) procedure for certain hazardous chemicals, and the continuing dialogue on sustainable forest management, were contributing to the effective implementation of the commitments made in Rio. In no other area had international law been developed to the same extent in recent years as in that of the environment and sustainable development.

95. There were many complex reasons why more was not being done. For example, Governments faced very varied demands and had to reconcile many different elements in their policies. In so doing, it was necessary always to have in mind the long-term perspective required for achieving sustainable development. Furthermore, the estimated resource requirements for implementing Agenda 21 were far from having been met and further efforts must be made to

mobilize additional resources. The innovative mechanisms provided for in the Kyoto Protocol promised much with respect to the mobilization of resources. They could not, however, either replace official development assistance or compensate for its unfortunate decline.

96. The United Nations continued to focus on sustainable development and had achieved considerable progress in ensuring the consistency and coordination of activities and avoiding duplication. Nonetheless, there was still much room for improvement. The United Nations Task Force on Environment and Human Settlements had recommended a number of actions to improve the situation. His delegation would address that question at a later stage.

97. The international community must also be better prepared to deal with the unexpected. The recent financial crisis was a case in point. When certain countries' economies were in turmoil and the financial impact was felt world wide, it was difficult to give priority to long-term objectives such as sustainable development. Efforts to improve the international financial system must seek to reduce fluctuations and, at the same time, take social consequences more fully into account in order to maintain the focus on sustainable development. Another example was the El Niño phenomenon. Its effects could well negate the progress achieved over several years. It was widely recognized that the United Nations needed an early warning mechanism and an emergency-response capacity to deal with environmental disasters and emergencies.

98. Lastly, a basic premise of sustainable development must not be overlooked, namely, the need for an integrated, cross-sectoral approach combining environmental, economic and social concerns. Reverting to past tendencies — which encouraged fragmentation, narrowly sectoral approaches and unidisciplinarity — would reduce all the efforts to naught and waste valuable time and resources.

99. **Mr. Arbel** (Israel) said that, as a country with limited natural resources, Israel had striven to make the best possible use of its available resources while, at the same time, ensuring that their intensive use was not harmful to the environment. Paradoxically, those constraints had challenged Israeli scientists to develop a host of new technologies which placed Israel at the forefront of world development in a number of environmental fields.

100. With regard to water management, since surface and groundwater sources were not sufficient to meet the demands of a growing population and economy, Israel had had to develop ways of using treated wastewater, brackish water and water harvesting techniques. It played a leading role in the development of drip irrigation, by which relatively small amounts of water were delivered directly to the roots of growing plants. That technique had the further advantage of reducing salinization, enabling farmers to deliver precise quantities of fertilizers to the roots and thereby prevent soil and groundwater contamination.

101. Agricultural research had played a catalytic role in the development of crops which either required minimal amounts of water or were able to thrive on brackish water. Israel was also very active in the field of forestry, where it had obtained remarkable results with respect to biological diversity and productivity, and it was closely associated with regional and international efforts to combat desertification and promote sound management of land and water resources.

102. Israel was a world pioneer in the utilization of solar energy, not only for low-technology domestic use but also cutting-edge technology for solar power stations. It had developed a new type of coating that made it possible for solar panels to retain a higher proportion of the solar energy they absorbed. That development had led to a decision to equip all residential and commercial buildings in the country with solar water heaters.

103. With respect to past management, various methods which mitigated damage to the environment were currently being developed, for example, a soil solarization technique designed and perfected by an Israeli, which reduced damage to the ozone layer, and biological control methods which replaced the use of chemicals. In 1976, a bacterium that had proved to be particularly effective in controlling certain species of flies and mosquitoes had been discovered in a puddle in the Negev region. Called Bacillus Israelensis, it had proved to be valuable in countries where insects transmitted serious diseases, particularly in Africa. Israel was more than willing to share its experience and know-how with all countries interested in environmental research.

104. **Mr. Robu** (Republic of Moldova) welcomed the Second Committee's adoption, at the fifty-second session of the General Assembly, of decision 52/444 on the implementation of and follow-up to the outcome of the United Nations Conference on Environment and Development, including the outcome of the nineteenth special session of the General Assembly. That Conference and the meeting of the General Assembly had prompted his country to consider the principles contained in Agenda 21 in carrying out its socio-economic development programme and to contribute to the efforts to resolve global ecological problems.

105. The political will of the Government of the Republic of Moldova had been expressed by the adoption of the National Agenda on Environmental Protection and the

ratification of the major international environment-related conventions. At the same time, it devoted considerable attention to regional and subregional cooperation, particularly in the basins of the Danube River and within the Organization for Black Sea Economic Cooperation. His delegation was aware that the implementation of Agenda 21 implied active participation by all the parties involved: the Government, the private sector, non-governmental organizations, scientific circles and local communities. In that context, changes for the better had taken place in his country, particularly with regard to the strengthening of cooperation among government agencies, scientific societies and non-governmental organizations.

106. It was widely known that, in the current situation, humankind could not afford to pursue the goal of economic growth at the expense of the degradation of natural resources and environmental pollution. It was therefore essential to prevent the utilization of environmentally harmful technologies and the countries in transition, which included the Republic of Moldova, must not be viewed as markets for the sale of such technologies. Moreover, the implementation of the recommendations of the Rio Conference should be accelerated, particularly those regarding the transfer of environmentally safe and highly effective technologies to those countries.

107. The negative consequences of global climate change also affected all countries but particularly those whose economies were predominantly agriculture-based. That was the case of the Republic of Moldova, where abnormal weather conditions had considerably increased in the past two decades. Lastly, it was highly desirable to implement the transfer of environmentally safe technologies among countries, including to the transition countries, on a multilateral basis through UNDP and UNEP.

108. It was certainly possible to resolve environmental problems, provided that declarations and political appeals were followed up by practical steps and financial contributions. At the same time, responsibility must be shared at the global level, taking into account the degree of damage countries caused to the world environment.

The meeting rose at 12.50 p.m.

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Chairman: Mr. Prendergast (Vice-Chairman) ..... (Jamaica)

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In the absence of Mr. Asadi (Islamic Republic of Iran), Mr. Prendergast (Jamaica), Vice-Chairman, took the Chair.

The meeting was called to order at 3 p.m.

Agenda item 94: Environment and sustainable development (*continued*) (A/53/25, A/53/96, A/53/72-S/1998/156, A/53/95-S/1998/311, A/53/156-S/1998/78, A/53/165-S/1998/601, A/53/371-S/1998/848, A/53/416, A/53/425, A/53/487)

(a) Implementation of and follow-up to the outcome of the United Nations conference on environment and development, including the outcome of the nineteenth special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21 (*continued*) (A/53/477)

1. **Mr. Azaiez** (Tunisia), associating his delegation with the statement made by the representative of Indonesia on behalf of the Group of 77 and China, said that progress had been made since the United Nations Conference on Environment and Development regarding sustainable development at country level, with conventions entering into force on climate change, biological diversity and desertification. However, the targets that had been set were still far from being achieved. Environmental degradation continued, and poverty remained a cause of great concern. The situation regarding consumption, production, and the emission of pollutants and toxic substances was still not consistent with a regime of sustainable development.

2. There was still a need for coherence in policies between various instruments in the field of the environment and development at both inter-agency and intergovernmental levels. The United Nations review of progress achieved in implementing the Agenda 21 conventions had frequently suffered from lack of coherence, and would gain in efficiency if an overall and complementary approach were adopted. The need for harmonization in approaching the review had been emphasized by the General Assembly, which had also underlined the importance of coordination at national levels. The Secretary-General, in his report (A/52/280), had invited all United Nations bodies and programmes to strengthen the support they gave to the efforts being made at national level to implement Agenda 21 and to adapt their interventions to the plans, policies and priorities of the Member States.

3. Since the Rio conference, Tunisia had strengthened its institutional and legal mechanisms in respect of the environment and development: it had established a national commission for sustainable development, had proposed the holding of a regional conference on sustainable development in the Mediterranean and had drawn up a national action programme for the environment and sustainable development for the twenty-first century.

4. Paying tribute to the dynamic and global approach adopted by the United Nations Environment Programme (UNEP) in developing international environment law, he said his delegation supported its coordinating role but regretted that in discussing the agenda item it had not been possible to read the report of the Secretary-General on ways and means of undertaking the review of progress made in implementing conventions related to sustainable development (A/53/477) in conjunction with the report of the Secretary-General on environment and human settlements (A/53/463), as recommended in the former, due to the unavailability of the latter.

5. **Mr. Al-Hitti** (Iraq) welcomed the Secretary-General's report (A/53/477) and the proposals he had made therein with regard to the elements that must be included in any review of progress made in implementing conventions related to sustainable development. His country followed with great interest developments in the environmental field, having first-hand knowledge of the direct effects environmental problems could have on the health and well-being of society. The attack carried out against Iraq in 1991 and, in particular, the use by the United States of America and the United Kingdom of weapons containing depleted uranium, had seriously damaged the environment of his country. High-ranking British officials had admitted that such weapons had been used: 88 missiles containing depleted uranium had been launched against Iraq by United Kingdom forces, and United States forces had used many more. *Le Monde Diplomatique* of 10 April 1995 had stated that United States and United Kingdom forces had used 4,000 missiles, or the equivalent of 3,000 tons of depleted uranium, against Iraqi forces.

6. Scientific studies had established beyond any doubt that such widespread use of depleted uranium had had a direct and serious effect on the health of the Iraqi people and its environment. There had been a large increase in the number of cases of cancer, and of leukaemia in particular. Seventy-five per cent of those suffering from leukaemia were children. Many other forms of cancer had appeared, in addition to horrific and previously unknown foetal abnormalities. The widespread use of those internationally proscribed weapons had had no military or moral justification. Rather, it contravened the Charter of the United Nations and the international conventions and treaties outlawing the use of weapons of mass destruction. It also

conflicted with the Allies' claims that the weapons they had used had been conventional and that the war had been "clean". The extensive use of those weapons could be considered as a deliberate act of genocide, since their effects extended well beyond the boundaries of the theatre of war in both time and place. The water, earth and air of Iraq had been polluted, and they represented a continuing threat to the population for many years to come, thereby achieving the apparent goal of the Allies.

7. Iraq considered that the Governments of the United States and the United Kingdom, having used those internationally proscribed weapons, bore full responsibility for the disastrous consequences. He was confident that the international community would not remain silent in the face of that crime, whereby the people of Iraq had been treated as a testing ground for internationally proscribed weapons.

8. **Mr. Valencia Rodríguez** (Ecuador) thanked the Director of the secretariat for the International Decade for Natural Disaster Reduction for having introduced the report on the implementation of General Assembly resolution 52/200 on international cooperation to mitigate the impact of the El Niño phenomenon. Ecuador endorsed all the conclusions and recommendations, and hoped that the United Nations would continue the process leading to full implementation of the mandates embodied in the resolution. The reports confirmed the cyclical and global nature of the El Niño phenomenon, which had caused massive loss of property, a heavy toll in human lives and serious damage to the environment. Its impact in 1998 had proved to be the most severe ever recorded, with estimated losses reaching US$ 14 billion.

9. In November 1998 Ecuador would be hosting the first intergovernmental meeting of experts on the El Niño phenomenon in pursuance of General Assembly resolution 52/200 and in the context of the International Decade for Natural Disaster Reduction. The meeting, for which support had been expressed by the representatives of Indonesia and Panama on behalf of the Group of 77 and China and the Rio Group, would provide significant global insights that would assist in the development of an international strategy to prevent, mitigate and redress the negative effects of El Niño.

10. **Ms. Taddei** (San Marino) said that education for sustainable development was a lifelong process embracing many disciplines at all levels and could employ a variety of teaching and learning tools. A sustainable development strategy should include education and public awareness as integral components, and sustainable development issues should be integrated into national school curricula.

11. With regard to changes in production and consumption patterns, developed countries had a definite role to play in promoting the use of goods and services which responded to basic needs and to a better quality of life; such changes would also make it possible to minimize the use of natural resources, toxic materials and the emission of waste and pollutants without jeopardizing the needs of present and future generations. The transfer of cleaner and more efficient production processes, as well as more sustainable patterns of consumption, could be beneficial to all countries. An exchange of ideas on that subject would avoid initiatives being taken by some States which might result in damage to others. The changes in production and consumption patterns should not jeopardize economic growth and sustainable development in other countries, especially the developing countries.

12. Tourism had been San Marino's main growth area in the past 30 years, and her country supported the initiatives taken by the World Tourism Organization; it welcomed all tourism-related projects based on the policy of sustainability, since they would ensure that the economic benefits of tourism development were not offset by damage to the environment and local cultures. The participation of Governments, donor agencies and the private sector in such projects was sought so that the income and jobs generated by tourism development would last for generations to come.

13. **Ms. Pant** (Nepal) said it was disheartening to note that six years after the Rio conference the world was falling far short of achieving the central goal of an environmentally sustainable global economy. Significant environmental problems abounded, which had an adverse impact on the socio-economic fabric of almost all countries in all regions. Although some progress had been made, there was still concern about a future that was constrained by environmental degradation and limited resources, growing poverty and huge gaps in income between rich and poor, which could diminish the worth and dignity of human life and retard sustainable development. Poverty and marginalization had increased for millions of people, and income disparity had increased not only between countries but also within them. Unemployment and social exclusion had worsened in many countries.

14. On a more positive note, the rate of population growth had been declining globally, in large part owing to expanded basic education and health care. There had also been some progress in the social services sector with increasing access to education, decreasing infant mortality and rising life expectancy in most countries, but much remained to be done in terms of providing access to adequate food and basic services, clean water and sanitation, and reducing glaring

inequalities in the distribution of wealth and access to resources. Her delegation welcomed the Secretary-General's commitment to consider undertaking a comprehensive, integrated assessment of progress in the implementation of international conventions arising from the Rio conference in 2002.

15. Nepal, as a least developed and landlocked country, had severely limited resources and was facing grave threats from environmental degradation; it planned to carry out programmes to bring about an improvement in the environment, economic and social conditions and human development. Nepal firmly believed that the eradication of poverty was the essential and only credible basis for sustainable development, especially in the developing countries. Poverty was intrinsically related to environmental and natural resource degradation, and its eradication should receive the highest priority on the international agenda. Poverty eradication was vital to sustainable development, and development aid was vital to poverty eradication. The broader challenge for humanity as it approached the end of the century consisted in integrating environment strategies into national economies. The United Nations system had an indispensable role in supporting countries, particularly the least developed and landlocked countries, in implementing Agenda 21.

16. **Mr. Koech** (Kenya) said his country had undertaken measures to implement Agenda 21 by establishing a national environment action plan as a way of integrating environmental considerations into all sectors of national development programmes. It was also concluding a review of environment-related legislation with a view to enhancing its impact in addressing environmental concerns. Kenya had also introduced environmental studies in its education system, and had taken steps to strengthen institutional capacity in the field of the environment. Kenya had ratified a significant number of environment-related conventions.

17. UNEP had adopted a more decentralized and participatory approach to programme development with the aim of concentrating on key priorities, but it was important to keep in focus the Programme's global responsibilities. Some meetings of UNEP bodies could be held at UNEP headquarters in Nairobi, which should also be considered for future secretariats in the field of the environment. It had been pointed out in its biennial report for 1996–1997 that if the Programme's voice was to be loud enough to be heard above "the clamour of unfettered economic growth and globalization" it would need adequate, stable and predictable funding. UNEP had raised additional resources through fund-raising efforts, joint projects, trust funds, counterpart contributions from Governments, the Global Environment Facility and private sources, but there was no substitute for a reliable flow of contributions into the Environment Fund. Many of the initial contributions were tied to specific and highly focused projects, with the risk of distortion to the Programme's agreed priorities if the balance between the two types of funding was not maintained. Too great a reliance on earmarked funds could endanger the Programme's flexibility, and thus its ability to respond to rapid change as well as to increase its administrative responsibilities.

18. Kenya welcomed the elevation of Nairobi to the level of the other United Nations centres at Geneva and Vienna, and as the United Nations proceeded with its reform measures it was imperative for it to ensure maximum and rational use of the existing facilities within the system so as to minimize waste. Kenya was concerned that the facilities at the Nairobi office continued to be underutilized, and hoped that mechanisms would be set in place to ensure that such utilization was comparable with that at Geneva and Vienna. Kenya shared the concerns expressed during the fifth special session of the UNEP Governing Council regarding the large discrepancy in funding from the United Nations regular budget to the Nairobi office compared with that to the offices at Vienna and Geneva.

19. **Mr. Ito** (Japan), referring to the protection of the global climate, said that legally binding targets had made the Kyoto Protocol to the Framework Convention on Climate Change a turning point in efforts to reduce the emission of greenhouse gases. His delegation called for its early implementation through national legislation like the measures to reduce greenhouse gas emissions which his Government had recently adopted. At the fourth Conference of Parties in Buenos Aires, such issues as domestic measures and international cooperation, emissions trading, joint implementation and a clean development mechanism would be discussed. In order for that Conference to be successful, the participating Ministers must exercise strong political leadership to maintain the momentum from the Kyoto Conference. Attention should be focused on areas of agreement so that maximum results could be achieved in a limited amount of time. Even if differences of opinion should surface, no country should veto a proposal outright without open discussion.

20. On the subject of desertification, Japan had recently deposited its instrument of accession to the United Nations Convention to Combat Desertification and looked forward to active participation in the forthcoming Conference of the Parties in Dakar. As the International Decade for Natural Disaster Reduction drew to a close, it was the view of his delegation that the adoption of a resolution on the El Niño

phenomenon would be important in helping the spirit of the Decade to survive. Finally, with regard to institutional linkages among the various conventions related to sustainable development, the General Assembly, with its universal membership, could play an important role in defining general policy guidelines to be followed by each Convention. That issue was closely related to the role of UNEP, however, and it might be more appropriate to discuss it in the context of the reports of the Secretary-General on environment and human settlements and of the Task Force on Environment and Human Settlements.

21. **Mr. Zvachula** (Federated States of Micronesia) said that climate change was of concern to his country, a small island developing State, because a sea level rise would place the low-lying coastal areas, with the most fertile soil to feed its population, at immediate risk. The legally binding commitments in the Kyoto Protocol were a significant first step towards ensuring effective global action to combat climate change. The Framework Convention obliged the developed country parties to take the lead in combating the adverse effects of climate change. His delegation hoped for further substantial progress at the forthcoming Conference of the Parties in establishing rules for international implementation mechanisms, particularly emissions trading, the clean development mechanism and joint implementation. An effective global response would require active cooperation by all countries, taking into account their common and differentiated responsibilities and their respective capabilities.

22. His delegation noted with gratitude that the Kyoto protocol had recognized the importance of the needs of small island States. It attached great significance to the adoption of a vulnerability index and its inclusion among the criteria for determining least developed country status and eligibility for concessional aid. Vulnerability was among the main obstacles to the sustainable development of small island developing States. The 1999 special session of the General Assembly to review the Barbados Plan of Action represented an important opportunity which must be used to the fullest advantage.

23. **Ms. Narangua** (Mongolia) said that a sound environment was an essential component of development and a factor in production and competitiveness, determining the long-term pace and quality of economic growth. Cross-border pollution, the protection of international waters, the handling of dangerous wastes, and bilateral and multilateral aid all illustrated the global dimension of the relationship between the environment and development. Most environmental problems had their origins in the development process or in its failures, and only through better management of the process could those problems be solved.

24. As a clear manifestation of its support for the concepts of the Earth Summit, Mongolia had elaborated its own Agenda 21, despite a painful period of transition to democracy and a market economy. The impact of global climate change on Mongolia was evident: the overall temperature had increased by 0.7° over the past 50 years, with droughts occurring every two to three years and the water level of the large rivers dropping by 20 to 30 per cent.

25. Sustainable development required increased investment and financial resources. The international community should therefore promote an open international trading system to help developing countries gain better access to environmentally sound technology and harmonize the relationship between production and the environment. In addition, reversing the decline in official development assistance, along with integrating developing countries into the global economy, would help to make the environment safer.

26. In conclusion, Mongolia believed that the entry into force of the conventions on climate change, biological diversity and desertification was a remarkable achievement that should be followed up by their full-scale implementation.

27. **Mr. Matute** (Peru) said that less than a decade earlier, his Government had perceived the El Niño phenomenon as peculiar to the Pacific coast of South America; it was therefore pleased that the United Nations had recognized its global nature and its effects on many countries in almost every continent. The report of the Secretary-General on international cooperation to reduce the impact of the El Niño phenomenon (A/53/487) provided information on the intergovernmental meeting of experts to be held in Ecuador, pursuant to General Assembly resolution 52/200. Peru would also host an intergovernmental meeting in 1999 that would take an integral approach to the phenomenon by dealing with its scientific, technical, social and political aspects. The participation of decision makers would ensure that the conclusions and recommendations adopted at those meetings would be implemented in the short term. The desired outcome of those meetings would be sound scientific and technical knowledge of the phenomenon that would enable appropriate measures to be taken in order to prevent the suffering of millions of people worldwide and damage to infrastructure which would delay plans for development.

28. **Ms. Hamman** (World Food Programme (WFP)) said that, with its mandate to work in low-income food-deficit countries, WFP helped poor and vulnerable communities,

most of which were living on the margins of subsistence, to improve the conservation of their resource base and hence to sustain their source of livelihood. WFP recognized that people, especially poor women, were the key to all sustainable development. The Programme was currently undertaking a wide range of field-level activities, many of which directly corresponded to the priorities set out in Agenda 21, and it supported some 85 projects in the area of natural resource management. Total commitments in 1997 amounted to $900 million, representing the single largest investment within the entire United Nations system.

29. Large-scale relief and development operations must be subjected to an environmental impact/risk analysis from the earliest stages of the programming cycle. Experience had confirmed that short-term emergency situations often posed special risks for fragile environments. The influx of displaced refugee populations caused pressures which could rapidly deplete the resource base of the host population. For example, deforestation was often intensified as ever-larger numbers of people went in search of fuelwood. In recognition of the risks posed by relief operations, the new WFP environmental policy included specific measures to supply quick-cooking food and to design food baskets which minimized the need for cooking fuel.

30. Since 1997, the exceptionally heavy rains associated with El Niño had caused extensive damage to food production and distribution in many countries in Africa, Asia and Latin America. In response to the crisis, WFP was feeding 19 million people in Bangladesh and had launched its first emergency relief operation in China to meet the needs of over five million flood victims. It was also conducting operations in southern Somalia and northern Kenya.

31. Worldwide emergency food requirements had risen sharply, while abnormal weather patterns had severely affected food production in many African, Asian and Latin American countries. In response, WFP had recently launched large operations in the Sahel, Zambia, Cuba and Indonesia. It had also established a global task force to ensure a coherent and coordinated response to the threat posed by the El Niño phenomenon to the poorest and most food-insecure population groups. Vulnerability assessment mapping and logistics capacity assessments were used to ensure a timely response that preserved livelihoods.

32. **Mr. Ri Kwang Nam** (Democratic People's Republic of Korea), speaking in exercise of the right of reply, said that his delegation took exception to the wrongful reference made by the South Korean representative in his remarks at the previous meeting, to Korea as meaning all of the Korean peninsula. His delegation had previously advised the delegation of South Korea to use the name of the entity to which it was referring as registered with the United Nations. However, the South Korean delegation had once again made a wrongful reference in its remarks.

33. The reference to "Korea" was an attempt to create a false impression that South Korea represented the entire Korean peninsula in the United Nations, which could only be interpreted as a provocation against and gross violation of the sovereign rights of the Democratic People's Republic of Korea. That arrogant attempt was in violation of General Assembly resolution 46/1 and also ran counter to common sense and courtesy. Moreover, the South Korean representative had not hesitated to call his regime the "Korean Government", which undermined the prestige of the Democratic People's Republic of Korea.

34. Therefore, his delegation demanded an immediate apology for the abuse of the word "Korea" and the assurance that the provocation would not recur. Such immoral and provocative acts on the part of South Korea in pursuit of its political aims should no longer be tolerated.

The meeting rose at 4.30 p.m.